

### Revenue Estimate No. 3

#### Effects of Allowing Filers the Option of Filing Under an Optional 22 Percent Flat Tax

Baseline assumptions: Current law, Bush tax cuts extended and AMT exemptions adjusted for inflation until 2013  
 Policy assumptions: Same as baseline except filers have ability to choose optional flat tax

	2009	2010	2011	2012	2013
<b>Optional Flat Tax Returns</b>					
All Returns	3,056,067	3,097,933	3,195,233	3,248,814	3,313,570
No AGI	8,969	8,926	8,735	9,078	9,373
\$1 under \$5,000	6,751	4,911	6,963	6,020	6,227
\$5,000 under \$10,000	26,800	27,077	27,269	32,151	33,552
\$10,000 under \$15,000	39,831	36,662	33,853	25,764	16,867
\$15,000 Under \$20,000	54,484	35,851	31,041	27,642	26,394
\$20,000 Under \$25,000	180,331	154,436	143,803	116,747	94,103
\$25,000 Under \$30,000	82,713	68,341	77,367	67,802	65,558
\$30,000 Under \$40,000	129,290	123,823	133,021	127,949	128,077
\$40,000 Under \$50,000	28,366	28,272	26,693	18,546	19,802
\$50,000 Under \$75,000	9,700	11,745	11,080	10,440	13,250
\$75,000 Under \$100,000	2,775	2,979	2,963	3,059	2,933
\$100,000 Under \$200,000	283,621	277,443	275,107	263,391	241,065
\$200,000 Under \$500,000	1,496,940	1,566,785	1,629,921	1,698,537	1,761,303
\$500,000 Under \$1,000,000	484,459	517,426	548,037	586,865	626,509
\$1,000,000 and Over	221,036	233,256	239,380	254,826	268,556

#### Optional Flat Tax Returns as a Percent of Total Returns

	2.1%	2.2%	2.2%	2.2%	2.2%
All Returns	2.1%	2.2%	2.2%	2.2%	2.2%
No AGI	0.3%	0.3%	0.3%	0.3%	0.3%
\$1 under \$5,000	0.1%	0.1%	0.1%	0.1%	0.1%
\$5,000 under \$10,000	0.2%	0.2%	0.2%	0.3%	0.3%
\$10,000 under \$15,000	0.4%	0.4%	0.4%	0.3%	0.2%
\$15,000 Under \$20,000	0.6%	0.4%	0.4%	0.3%	0.3%
\$20,000 Under \$25,000	2.2%	1.9%	1.8%	1.5%	1.2%
\$25,000 Under \$30,000	0.9%	0.8%	0.9%	0.8%	0.7%
\$30,000 Under \$40,000	0.9%	0.9%	0.9%	0.9%	0.8%
\$40,000 Under \$50,000	0.2%	0.2%	0.2%	0.1%	0.2%
\$50,000 Under \$75,000	0.0%	0.1%	0.0%	0.0%	0.1%
\$75,000 Under \$100,000	0.0%	0.0%	0.0%	0.0%	0.0%
\$100,000 Under \$200,000	1.8%	1.6%	1.4%	1.3%	1.1%
\$200,000 Under \$500,000	38.3%	37.0%	37.3%	35.6%	34.7%
\$500,000 Under \$1,000,000	68.9%	68.4%	75.9%	79.5%	81.0%
\$1,000,000 and Over	67.5%	63.4%	73.7%	64.4%	67.2%

#### Revenue Estimate

	78,585,226,641	81,311,650,688	84,072,112,684	88,998,886,396	94,159,438,589
All Returns	78,585,226,641	81,311,650,688	84,072,112,684	88,998,886,396	94,159,438,589
No AGI	566,746,931	586,757,216	454,770,549	551,790,406	579,965,491
\$1 under \$5,000	20,068,782	9,426,668	32,380,316	29,502,036	32,456,524
\$5,000 under \$10,000	9,254,190	47,779,402	22,101,816	14,088,646	11,487,134
\$10,000 under \$15,000	43,455,447	5,863,487	18,470,178	12,936,618	15,696,526
\$15,000 Under \$20,000	17,349,254	5,296,876	3,296,439	4,860,817	7,212,353
\$20,000 Under \$25,000	44,226,570	28,110,351	24,827,949	19,307,698	13,198,854
\$25,000 Under \$30,000	15,846,662	22,768,457	22,896,391	12,557,222	11,764,877
\$30,000 Under \$40,000	70,434,449	55,709,733	52,872,926	59,935,378	46,886,521
\$40,000 Under \$50,000	20,699,205	26,128,728	24,840,844	21,466,523	11,377,862
\$50,000 Under \$75,000	147,523,544	136,348,378	157,204,210	143,539,842	149,498,631
\$75,000 Under \$100,000	25,274,158	31,041,733	21,592,385	11,950,805	21,912,804
\$100,000 Under \$200,000	882,300,759	943,349,005	1,007,727,837	933,308,840	946,974,527
\$200,000 Under \$500,000	15,455,150,950	16,347,309,403	17,312,543,990	18,247,472,399	19,223,916,935
\$500,000 Under \$1,000,000	16,024,026,026	16,428,779,699	17,637,214,534	18,655,586,161	19,859,085,626
\$1,000,000 and Over	45,242,869,714	46,636,981,551	47,279,372,322	50,280,583,005	53,228,003,924

#### Revenue Estimate as a Percent of Baseline Revenue Forecast

	6.9%	6.8%	7.0%	7.0%	7.1%
All Returns	6.9%	6.8%	7.0%	7.0%	7.1%
No AGI	100.0%	100.0%	100.0%	100.0%	100.0%
\$1 under \$5,000	90.3%	90.2%	95.4%	95.9%	95.9%
\$5,000 under \$10,000	2.1%	11.6%	6.1%	4.4%	4.0%
\$10,000 under \$15,000	2.2%	0.3%	1.1%	0.8%	1.0%
\$15,000 Under \$20,000	0.4%	0.1%	0.1%	0.1%	0.2%
\$20,000 Under \$25,000	0.7%	0.5%	0.4%	0.3%	0.2%
\$25,000 Under \$30,000	0.1%	0.2%	0.2%	0.1%	0.1%
\$30,000 Under \$40,000	0.3%	0.2%	0.2%	0.2%	0.2%
\$40,000 Under \$50,000	0.1%	0.1%	0.1%	0.1%	0.0%
\$50,000 Under \$75,000	0.2%	0.1%	0.2%	0.1%	0.2%
\$75,000 Under \$100,000	0.0%	0.0%	0.0%	0.0%	0.0%
\$100,000 Under \$200,000	0.3%	0.3%	0.3%	0.3%	0.3%
\$200,000 Under \$500,000	7.0%	6.9%	7.1%	6.9%	6.9%
\$500,000 Under \$1,000,000	14.8%	14.1%	15.5%	15.8%	15.9%
\$1,000,000 and Over	18.9%	18.4%	20.6%	19.1%	20.0%