

Revenue Estimate No. 4

Effects of Allowing Filers the Option of Filing Under an Optional 23 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
Optional Flat Tax Returns					
All Returns	2,558,921	2,581,570	2,677,568	2,709,450	2,772,580
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	16,641
\$15,000 Under \$20,000	54,484	35,851	31,041	27,642	26,394
\$20,000 Under \$25,000	179,152	153,597	142,703	107,082	94,103
\$25,000 Under \$30,000	78,256	63,841	73,861	67,793	65,558
\$30,000 Under \$40,000	129,290	123,777	133,010	122,986	125,623
\$40,000 Under \$50,000	24,478	27,998	26,693	18,538	14,319
\$50,000 Under \$75,000	8,331	10,109	10,789	10,440	13,250
\$75,000 Under \$100,000	2,706	2,979	2,707	2,502	2,658
\$100,000 Under \$200,000	136,966	132,175	128,799	121,787	109,860
\$200,000 Under \$500,000	1,186,925	1,232,674	1,292,396	1,347,784	1,392,679
\$500,000 Under \$1,000,000	462,279	495,716	526,249	562,793	601,286
\$1,000,000 and Over	213,704	225,276	232,502	247,092	261,057

Optional Flat Tax Returns as a Percent of Total Returns

	2009	2010	2011	2012	2013
All Returns	1.8%	1.8%	1.8%	1.8%	1.8%
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	2.1%	1.9%	1.8%	1.4%	1.2%
\$25,000 Under \$30,000	0.9%	0.7%	0.9%	0.8%	0.7%
\$30,000 Under \$40,000	0.9%	0.9%	0.9%	0.8%	0.8%
\$40,000 Under \$50,000	0.2%	0.2%	0.2%	0.1%	0.1%
\$50,000 Under \$75,000	0.0%	0.0%	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	0.8%	0.7%	0.7%	0.6%	0.5%
\$200,000 Under \$500,000	30.4%	29.1%	29.6%	28.2%	27.4%
\$500,000 Under \$1,000,000	65.8%	65.5%	72.9%	76.2%	77.7%
\$1,000,000 and Over	65.2%	61.3%	71.6%	62.4%	65.3%

Revenue Estimate

	2009	2010	2011	2012	2013
All Returns	65,072,786,637	66,976,799,271	69,327,717,129	73,371,843,945	77,691,819,880
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	9,250,225	47,771,365	22,086,778	14,047,461	11,428,439
\$10,000 under \$15,000	43,455,004	5,863,487	18,469,296	12,916,029	15,664,093
\$15,000 Under \$20,000	17,246,693	5,233,924	3,174,444	4,762,720	7,160,193
\$20,000 Under \$25,000	43,250,449	27,284,395	24,197,769	18,953,702	12,924,943
\$25,000 Under \$30,000	15,253,914	22,311,508	22,443,445	12,395,853	11,728,712
\$30,000 Under \$40,000	68,831,663	54,216,678	50,992,468	58,148,492	44,877,132
\$40,000 Under \$50,000	19,720,704	25,109,233	23,495,654	20,239,067	10,443,892
\$50,000 Under \$75,000	144,866,734	134,283,778	154,953,392	141,671,903	147,486,988
\$75,000 Under \$100,000	23,706,619	29,248,670	19,749,579	10,213,041	20,111,053
\$100,000 Under \$200,000	589,621,399	661,529,707	727,404,415	672,987,733	693,049,795
\$200,000 Under \$500,000	11,203,751,320	11,850,293,965	12,595,273,922	13,314,199,073	14,069,183,595
\$500,000 Under \$1,000,000	12,953,014,211	13,140,069,942	14,154,032,332	14,925,315,075	15,878,260,493
\$1,000,000 and Over	39,354,001,990	40,377,398,735	41,024,292,771	43,584,701,354	46,157,078,537

Revenue Estimate as a Percent of Baseline Revenue Forecast

	2009	2010	2011	2012	2013
All Returns	5.7%	5.6%	5.8%	5.8%	5.9%
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	0.6%	0.4%	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	0.2%	0.2%	0.2%	0.2%	0.2%
\$200,000 Under \$500,000	5.1%	5.0%	5.2%	5.1%	5.1%
\$500,000 Under \$1,000,000	11.9%	11.3%	12.4%	12.6%	12.7%
\$1,000,000 and Over	16.4%	15.9%	17.9%	16.5%	17.3%