



**ABC TAX PLAN
CHANGES MODELED
COMBINED AND ITEM BY ITEM**

Individual And Business Changes Modeled:
 Cut Corporate Income Tax Rate To 25%
 Assorted Changes In Corporate Tax Base
 Limit Top Tax Rate On Noncorporate Business Income To 25%
 Full Expensing*
 Tax Individuals' Interest Income At Capital Gains Rate

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	7.3%
\$GDP (annual gain relative to 2015 economy)	\$1,290
Private business stocks (equipment, structures, etc.)	22.1%
Wage rate	6.0%
Private business hours of work	1.5%
Full-time Equivalent Jobs (in thousands)	1,401
10 year static federal revenue estimate, GDP assumed constant	-\$1,638
10 year dynamic federal revenue estimate, after GDP gain or loss	\$631
10th year dynamic federal revenue estimate	\$288
	%
Weighted Average service price	Change
Corporate	-11.9%
Noncorporate	-11.7%
All business	-11.9%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

Provisions Modeled Here:

- Cut Top Tax Rate On Noncorporate Business Income To 25%
- Tax Individuals' Interest Income At Capital Gains Rate
- No Change in Corporate Income Tax Rate
- No Change In Capital Cost Recovery System
- No Base Broadeners Or Other Changes In Defining Business Income

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	1.2%
\$GDP (annual gain relative to 2015 economy)	\$206
Private business stocks (equipment, structures, etc.)	3.2%
Wage rate	0.9%
Private business hours of work	0.3%
Full-time Equivalent Jobs (in thousands)	300
10 year static federal revenue estimate, GDP assumed constant	-\$1,061
10 year dynamic federal revenue estimate, after GDP gain or loss	-\$753
10th year dynamic federal revenue estimate	-\$67
Weighted Average service price	
Corporate	0.0%
Noncorporate	-6.6%
All business	-2.0%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

Provisions Modeled Here:

Cut Corporate Income Tax Rate to 25%

Broaden Business Tax Base By Ending Many Business Deductions and Credits

Full Expensing*

No Individual Income Tax Changes Except Expensing

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	6.4%
\$GDP (annual gain relative to 2015 economy)	\$1,130
Private business stocks (equipment, structures, etc.)	19.3%
Wage rate	5.4%
Private business hours of work	1.2%
Full-time Equivalent Jobs (in thousands)	1,157
10 year static federal revenue estimate, GDP assumed constant	-\$1,437
10 year dynamic federal revenue estimate, after GDP gain or loss	\$33
10th year dynamic federal revenue estimate	\$148
Weighted Average service price	
Corporate	-11.9%
Noncorporate	-7.6%
All business	-10.6%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

Provisions Modeled Here:
Cut Corporate Income Tax Rate to 25%
No Other Changes

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	2.3%
\$GDP (annual gain relative to 2015 economy)	\$404
Private business stocks (equipment, structures, etc.)	6.7%
Wage rate	1.9%
Private business hours of work	0.4%
Full-time Equivalent Jobs (in thousands)	425
10 year static federal revenue estimate, GDP assumed constant	-\$1,220
10 year dynamic federal revenue estimate, after GDP gain or loss	-\$592
10th year dynamic federal revenue estimate	-\$4
Weighted Average service price	
Corporate	-5.8%
Noncorporate	0.2%
All business	-4.0%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

Provisions Modeled Here:

Cut Corporate Income Tax Rate to 25%

Broaden Corporate Tax Base By Ending Many Corporate Deductions and Credits

No Other Changes

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	1.9%
\$GDP (annual gain relative to 2015 economy)	\$342
Private business stocks (equipment, structures, etc.)	5.6%
Wage rate	1.6%
Private business hours of work	0.4%
Full-time Equivalent Jobs (in thousands)	360
10 year static federal revenue estimate, GDP assumed constant	-\$746
10 year dynamic federal revenue estimate, after GDP gain or loss	-\$215
10th year dynamic federal revenue estimate	\$26
Weighted Average service price	
Corporate	-4.9%
Noncorporate	0.2%
All business	-3.4%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

Provisions Modeled Here:

Full Expensing*

No Other Changes

ECONOMIC AND BUDGET CHANGES VERSUS 2015 LAW

(billions of dollars except as noted)

GDP	5.4%
\$GDP (annual gain relative to 2015 economy)	\$948
Private business stocks (equipment, structures, etc.)	16.1%
Wage rate	4.5%
Private business hours of work	1.0%
Full-time Equivalent Jobs (in thousands)	973
10 year static federal revenue estimate, GDP assumed constant	-\$1,229
10 year dynamic federal revenue estimate, after GDP gain or loss	\$134
10th year dynamic federal revenue estimate	\$147
Weighted Average service price	
Corporate	-9.6%
Noncorporate	-7.7%
All business	-9.0%

Source: Tax Foundation, Taxes and Growth Model (October 2015 version)

* Full Expensing of equipment and structures. Expensing of inventories and land not modeled.