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Congress of the United States

JOINT COMMITTEE ON TAXATION

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JUL 30 2013

Honorable Sander Levin
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

Dear Ranking Member Levin:

This letter is in response to your request on July 25, 2013, for the estimated revenue effects from: (1) lowering the top tax rate on C-corporations to 25 percent; and (2) repealing the corporate AMT along with lowering the top tax rate on C-corporations to 25 percent.

In estimating these proposals, the phase-in of the corporate income tax is maintained. The corporate tax schedule is therefore 15 percent for the first \$50,000 of taxable income and 25 percent for any taxable income in excess of \$50,000. We assumed that the recapture of the lower tax rate is also maintained, such that the tax for corporations with taxable income in excess of \$100,000 is increased by the lesser of 5 percent of such excess, or \$2,500.

The proposals are assumed to be effective for tax years beginning after December 31, 2013. For the repeal of the corporate AMT, we further assume any unused AMT credits carried into 2014 may still be fully utilized by the taxpayer ratably over a 10-year period.

The estimated effect of these proposals on Federal fiscal year budget receipts is as follows:

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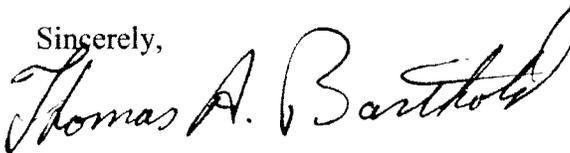
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<u>Item</u>	<u>Fiscal Years</u> [Billions of Dollars]											
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2014-18</u>	<u>2014-23</u>
Lower the top corporate income tax rate to 25%.....	-70.0	-112.1	-124.4	-131.3	-133.0	-130.6	-130.2	-131.5	-133.9	-136.8	-570.8	-1,233.7
Lower the top corporate income tax rate to 25% and repeal the Corporate AMT	-73.1	-118.6	-132.0	-139.4	-141.3	-139.0	-137.4	-137.1	-139.1	-142.1	-604.5	-1,299.1

NOTE: Details may not add to totals due to rounding.

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,


Thomas A. Barthold

cc: Janice Mays and Karen McAfee