

Effective cost of LIHTC on Federal Tax Receipts

Source: Novogradac & Company LLP

CBO Receipts vs. JCT Expenses

Federal Income Tax Receipts (in billions)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Corporate	191	201	279	343	428	398	370	413	417	420	420	437
Individual	899	998	1,128	1,516	1,671	1,829	1,967	2,105	2,231	2,365	2,509	2,662
from CBO budget tables (January 2011)	1,090	1,199	1,407	1,858	2,099	2,226	2,336	2,518	2,647	2,785	2,929	3,099

<http://www.cbo.gov/budget/budget.cfm>

Costs

	2010	2011	2012	2013	2014
LIHTC (Corp)	4.9	5.1	5.3	5.6	6.1
LIHTC (Individuals)	0.2	0.3	0.3	0.3	0.3
From JCT JCS-3-10 (December 2010)	5.1	5.4	5.6	5.9	6.4

<http://www.jct.gov/publications.html?func=startdown&id=3718>

	2010	2011	2012	2013	2014
Incr. in Corp. Taxes if LIHTC repealed (& rates remain same)	2.56%	2.54%	1.90%	1.63%	1.42%
Incr. in Ind. Taxes if LIHTC repealed (if rates remain same)	0.02%	0.03%	0.03%	0.02%	0.02%
% of Corporate tax receipts forfeited by having LIHTC	2.50%	2.48%	1.87%	1.61%	1.40%
Reduction in top Corporate rate of 35% (assuming pro-rata reduction) required to keep Corporate tax receipts same if LIHTC is repealed	0.87%	0.87%	0.65%	0.56%	0.49%
New top corp tax rate (drop from 35%)	34.13%	34.13%	34.35%	34.44%	34.51%
% of Corp. & Indiv. Inc. tax receipts forfeited by having LIHTC	0.47%	0.45%	0.40%	0.32%	0.30%
Reduction in top Corp. and Indiv. rate of 35% (assuming pro-rata reduction) required to keep total income tax receipts the same if LIHTC repealed	0.16%	0.16%	0.14%	0.11%	0.11%

Receipts and Expenses from OMB

Source: Novogradac & Company LLP

Receipts	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Corporate income tax receipts	191	198	327	397	478	435	403	462	467	478	480	502
Individual income tax receipts	899	956	1,145	1,339	1,491	1,628	1,765	1,898	2,028	2,157	2,282	2,404

From OMB Supplemental Material
<http://www.whitehouse.gov/omb/budget/Supplemental>

	2010	2011	2012	2013	2014	2015	2016
LIHTC (Corp)	5.37	5.69	5.98	6.77	7.06	7.2	7.26
LIHTC (Individuals)	0.28	0.30	0.31	0.36	0.37	0.38	0.38

From OMB Supplemental Material
<http://www.whitehouse.gov/omb/budget/Supplemental>

Increases from OMB exp estimates	2010	2011	2012	2013	2014	2015	2016
Incr. in Corp. Taxes if LIHTC repealed	2.81%	2.87%	1.83%	1.71%	1.48%	1.66%	1.80%
Incr. in Ind. Taxes if LIHTC repealed	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%

% of Corporate tax receipts forfeited by having LIHTC	2.73%	2.79%	1.80%	1.68%	1.46%	1.63%	1.77%
Reduction in top Corporate rate of 35% (assuming pro-rata reduction) required to keep Corporate tax receipts same if LIHTC is repealed	0.96%	0.98%	0.63%	0.59%	0.51%	0.57%	0.62%

New top corp tax rate (drop from 35%)	34.13%	34.13%	34.35%	34.44%	34.51%	34.51%	34.51%
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Prospective Repeal Effective 2012

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Repeal of LIHTC	0.66	0.68	0.70	0.72	0.75	0.77	0.79	0.81	0.84	0.86	7.59
Cumulative Savings	0.66	1.34	2.05	2.77	3.52	4.28	5.07	5.89	6.73	7.59	39.90
New top corp tax rate (drop from 35%)	34.88%	34.76%	34.78%	34.76%	34.74%	34.66%	34.56%	34.55%	34.50%	34.44%	
					<u>34.78%</u>					<u>34.66%</u>	