

Ways & Means Staff Options for Joint Select Committee on Deficit Reduction

I. Revenue dedicated to deficit reduction

Individual Rate Increases (Implicit or Explicit)

Super Pease
Surcharge (5.4%) on income over \$1 million
Repeal high-income tax cuts in 2012

Financial Markets/Products

Ordinary income from day-to-day dealer activities
Carried Interest (no tax on enterprise value)

Estate and Gift

Consistent estate value/income tax basis
Require minimum term for GRATs
Modify rules on valuation discounts
Revert to 2009 estate tax parameters for 2012

Other miscellaneous revenue items

S corp reasonable comp
Repeal special depreciation for corp jets
Reclaim passport if back taxes >\$100k

II. Revenue dedicated to Make it in America Rate

Reform U.S. International Tax System

Tax on excess retruns from intangibles
Limit income shifting on intangibles (367)
Limit deduction for reinsurance premiums

Defer deduction of interest expense related to deferred income
Treaty shopping

Energy and Environment

Repeal IDCs for Big 5
Repeal 199 for Big 5
Repeal LIFO for Big 5

Other

Disallowance of depreciation in excess of ADS

III. Make it in America Rate Reduction (revised section 199)