

USBudgetAlert.com: **Fiscal Cliff Summary Table**

Updated as of December 18, 2012, although details remain sketchy

Current Policies:	Fiscal Cliff:	Latest Obama Proposal:	Latest Boehner Proposal:
Taxes, spending and the economy if the cliff is avoided and current policies extended	Taxes, spending and the economy After 01/01/2013 if U.S. goes over the cliff	\$1.2tr in revenue -increase rates over \$400k -fast-track tax reform in 2013 \$1.2tr in spending cuts: -No sequester in 2013 -\$400b from Medicare/Medicaid -\$200b from other entitlements -\$200b from adjusting COLAs -\$200b from discretionary \$50b increase for infrastructure	\$1 trillion in revenue: -increase rates over \$1m -fast-track tax reform in 2013 \$1 trillion in spending cuts: -No sequester in 2013 -\$600b from Medicare/Medicaid (incl. raise Medicare ago to 67) -\$200b unspecified entitlement cuts -\$200b from adjusting COLAs
Debt Ceiling			
Treasury is likely to run out of measures to avoid hitting the debt ceiling in March. (The public debt is a consequence of prior congressional spending and tax decisions ; the debt ceiling is an artificial limit that simply highlights the debt's growth.)		2 years	1 year
Economy: Unemployment and Growth			
GDP increases 2.9% Jobless rate declines further	Recession: GDP down by 0.5%; Jobless rate rises to 9.1%		
Income Tax and AMT			
10 / 15 / 25 / 28 / 33 / 35 AMT adjusted for inflation	15 / 28 / 31 / 36 / 39.6 AMT patch expires	Let rates increase for incomes over \$400k; AMT patched	Allow top rate of 39.6% for income over a million dollars
Payroll Tax Cut (Employee Share)			
6.2% of payroll, cut to 4.2%	Cut expires: tax returns to 6.2% raising taxes \$85 b in 2013	Cut expires: tax returns to 6.2%	Cut expires: tax returns to 6.2%
Spending "Sequester"			
Spending was already cut \$900 billion by the 2011 Budget Act (enforced by statutory spending caps)	Additional automatic cuts of 9.4% in defense, 8.2% in non-defense and 2% in Medicare take effect due to failure of congressional super committee. (\$110b cut in each year through 2021, \$54b in outlays in '13)	Turn off the 2013 sequester except in "select areas"	Turn off the 2013 sequester
Long-term Capital Gains			
15%	20%		15%
Dividends			
15%	Tax as ordinary income		
Extended Unemployment Benefits			
Extended benefits	Extended benefits expire	Continue extended benefits	Expire
Deductions / Exemptions			
No caps	Capped for high-income	Capped for high-income	No caps
EITC			
EITC expanded	Expansion expires	Extends expansion	Expansion expires
Estate Tax			
35 percent rate \$5.1 million exemption/person	55 percent rate \$1 million exemption/person	45 percent 3.5 million exemption	35 percent rate \$5.1 million exemption/person
Medicare Doc Payments-SGR			
Automatic cuts have been avoided w/ annual "doc fixes"	Automatic 27% cut (reducing spending by \$10b in 2013)	Permanently repeal law that mandates automatic cuts	
Tax Extenders			
R&E credit, special expensing rules and many others	Dozens of credits and deductions expire (\$65b in 2013)	Permanent extension of certain extenders	