

Overview of Universal Health Care Taxes: Scaling of Estimates

General Notes on the Estimates

- High-level preliminary impact estimates
- Estimates do not include any macroeconomic or behavioral feedbacks
- Tax base
 - Generally utilizes an existing tax base

Corporate Income Tax Add-on (CIT) – Tax Year 2032

- Tax Base = Current Corporate Tax Base
- Increase from ratepayers modeled from data
(Increase for min. taxpayers expected to be less than 1%)
- To raise \$1 billion in tax requires increase of about 3.7%
- Scaled Rates

	Additional Tax Rate		
	4.25%	4.49%	5.00%
Tax (\$B)	\$1.15	\$1.21	\$1.35

Corporate Activity Tax (CAT+) – Tax Year 2032

- Tax Base = Current Corporate Activity Tax base
- Proportionately adjusted
- 0.01% point increase yields about \$35M in revenue
- Scaled Rates

	Additional Tax Rate		
	0.113%	0.120%	0.133%
Tax (\$M)	\$392	\$414	\$461

New Payroll Tax (EPT) – Tax Year 2032

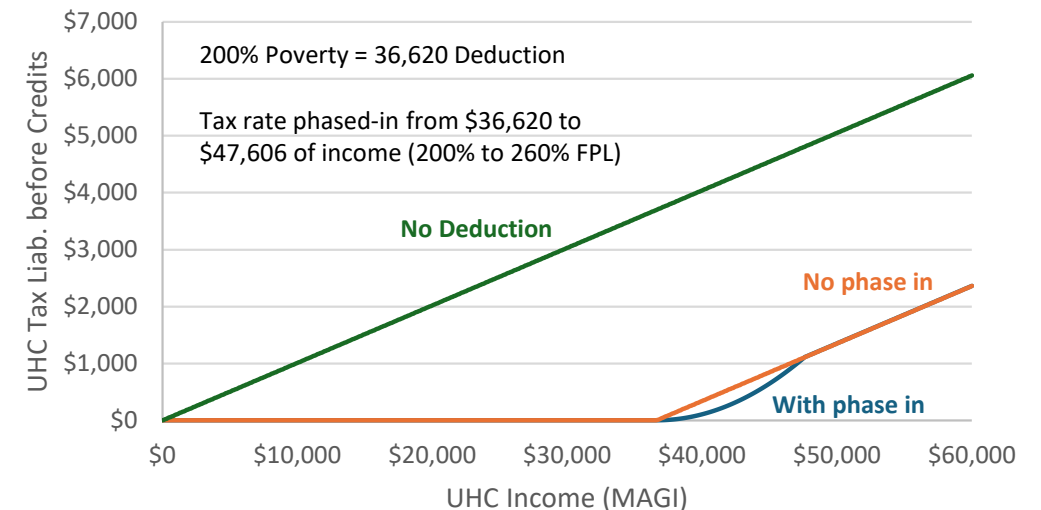
- Tax Base = Statewide Transit Tax
- Model excludes employers reporting less than \$500,000 payroll (this is relatively minor factor at a maximum of around \$50,000 per employer)
- To raise \$1 billion in tax requires tax rate of about 0.636%
- Scaled Rates

	Tax Rate		
	9.89%	10.44%	11.62%
Tax (\$B)	\$15.55	\$16.43	\$18.28

Health Care Personal Income Tax (HCPIT)

- Tax Base
 - Federal adjusted gross income (AGI) – OR exempt Social Security – Federal pension income – U.S. interest & dividends
- Standard deduction = 200% of taxpayers Federal Poverty Level (FPL)
 - Calculated using tax information (i.e., household size is based on number of taxpayers and dependents on tax return)
 - Tax liability phased in from 200% - 260% of FPL
- Tax Credits
 - 50% × employer paid payroll tax
 - Medicare Part B Premiums

Two Person Household | TY 2022



HCPIT | Tax Rate Changes | Tax Year 2032

- Interactive effects with payroll tax due to tax credit
- 1% HCPIT yields roughly \$1.1B
- Scaled rates

	Tax Rate		
	12.0%	12.6%	13.9%
Tax (\$B)	\$13.1	\$13.8	\$15.4

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