



**Estimated Incremental Revenue
2009 and 2010**

Analysis conducted by: Dr. David G. Tuerck, Executive Director, The Beacon Hill Institute - Boston, MA

Description of Taxable Item	Tax Cuts Permanent (CBO)	
	2009	2010
Total Private Consumption Base		
Personal Consumption Expenditures	10001	10349
Less: Education Expenditure	-204	-211
Less: Food Produced and Consumed on Farms	-0.4	0
Plus: Purchase of New Homes	134	138
Plus: Other Structures		0
Purchases of New Mobile Homes	4	4
Improvements to Single-Family Homes	149	154
Brokers commissions on housing	59	61
Less: Imputed Rent on Housing	-1212	-1254
Less: Imputed Rent on Farm Dwellings	-23	-23
Less: Expenditure Abroad by U.S. Residents (nondurables)		0
Less: Foreign Travel by U.S. Residents (services)	-105	-109
Plus: Expenditure in U.S. by Nonresidents	125	129
Travel to U.S. by Non-residents		0
Additional Financial Intermediation Services		0
Plus: Taxable Home Mortgage Interest	209	217
Plus: Taxable Nonprofit Interest	5	6
Plus: Taxable Personal Interest	17	18
Plus Capital Spending by Non-Profits	37.3	39
Less: Capital Consumption by Non Profits		0
Less: Salaries and Wages of Non-Profits	-68	-71
Less: State sales taxes	-253	-261
Wage and Salary %	99.50%	99.997506%
Subtotal, private consumption base	8831	9183
Total State and Local Government Tax Base		
State and Local Government Consumption	1424	1447
Less: Capital Consumption Allowance	-201	-205
Plus: State and Local Government Gross Investment		
Gross Purchases of New Structures	289	275
Gross Purchases of Equipment	62	64
Less: Education Spending on Wages and Salaries	-426	-426
Less State Sales Tax		
Administrative Credit	99.60%	99.602869%
Subtotal, S & L tax base	1143	1150
Federal Government Consumption	987	1043
Less: Capital Consumption Allowance	-124	-130
Less: IRS Budget Reduction		
Subsidies	59	58
Gross Purchases of New Structures	28	34
Gross Purchases of Equipment & Software	124	137
Less: Government current education expenditures (excl. grants in aid to S&L govt.)		
Taxable Transfers	320.9	339.2
Administrative Credit	99.66%	99.660425%
Subtotal, federal government tax base	1390	1476
Gross Tax Base	11364	11809
Memo: NRST Base (federal government consumption excluded)		
- Base Reduction Equivalent for Demogrant	2,323	2,322.9
= Net Tax Base (with government)	9,041.3	9,486.4
Revenue to be Replaced by Fairtax	1,969	1,975
Adjustment for ETIC and IRS	-60	-60
Total Revenue to be Replaced	1,909	1,915
Fair Tax Revenue at 23%	2,079	2,182
Difference	171	267

Rounded