



# PUBLIC POLICY INITIATIVE



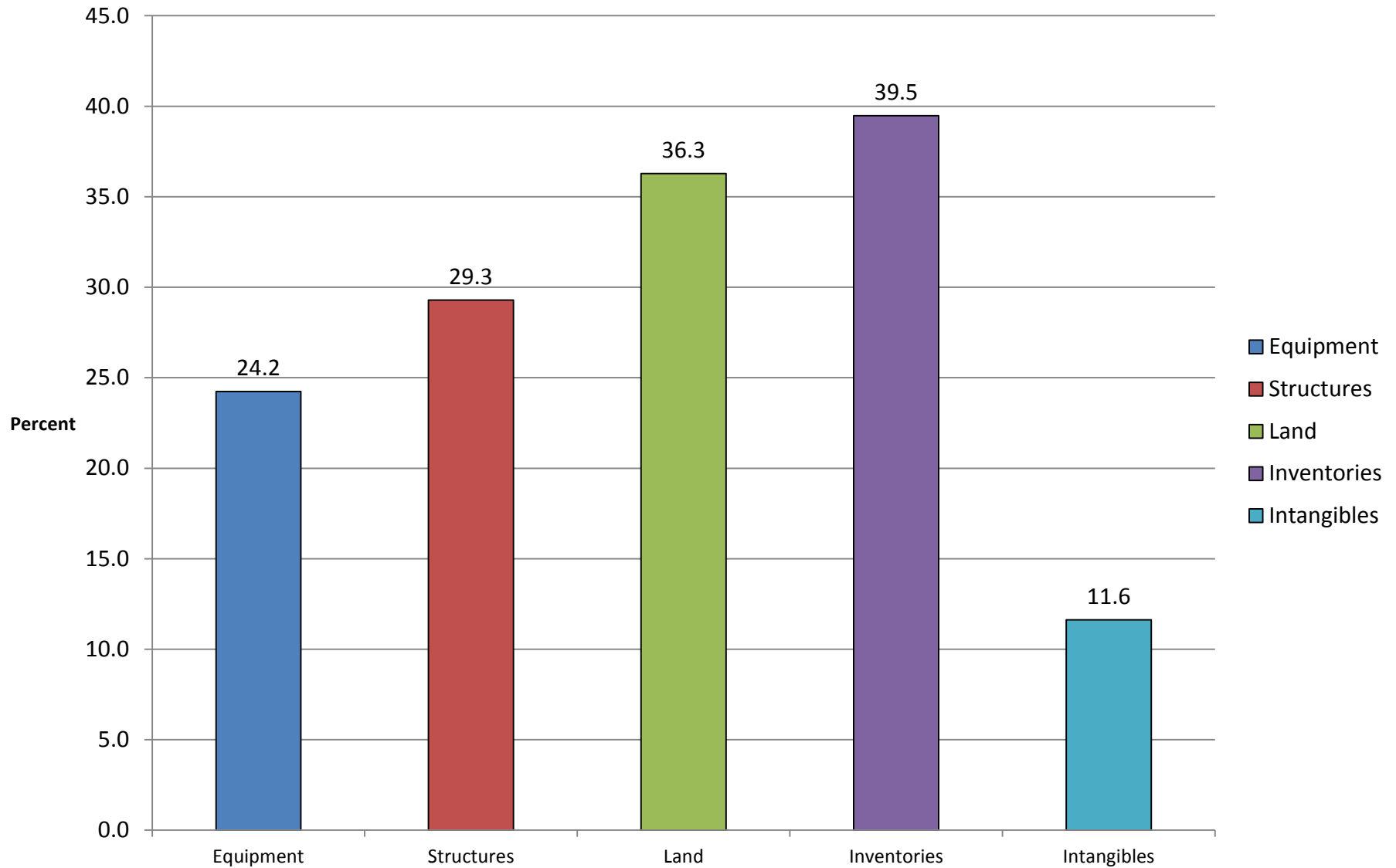
**Tax Policy Center**  
Urban Institute and Brookings Institution

## Special Corporate Tax Provisions

	<u>2008-2017</u> FY; \$Billions
Baseline Corporate Income Tax Revenues, FY2008 Budget	3,711
<u>Major Preferences Under the Current Corporate Income Tax</u>	
Deduction for US production activities	210
Exclusion of interest on state and local bonds	135
Research and experimentation (R&E) tax credit	132
Deferral of income from controlled foreign corporations	120
Low income housing tax credit	55
Exclusion of interest on life insurance savings	30
Inventory property sales source rules exception	29
Deductibility of charitable contributions	28
Special ESOP rules	23
Exemption of credit union income	19
New technology credit	8
Special Blue Cross/Blue Shield deduction	8
Excess of percentage over cost depletion, fuels	7
Other corporate preferences 1/	27
<b>Total</b>	<b>831</b>
<u>Additional Preference Under a Comprehensive Corporate Income Tax</u>	
Expensing and accelerated depreciation provisions	<b>410</b>
<b>Total Revenue from Preferences</b>	<b>1,241</b>

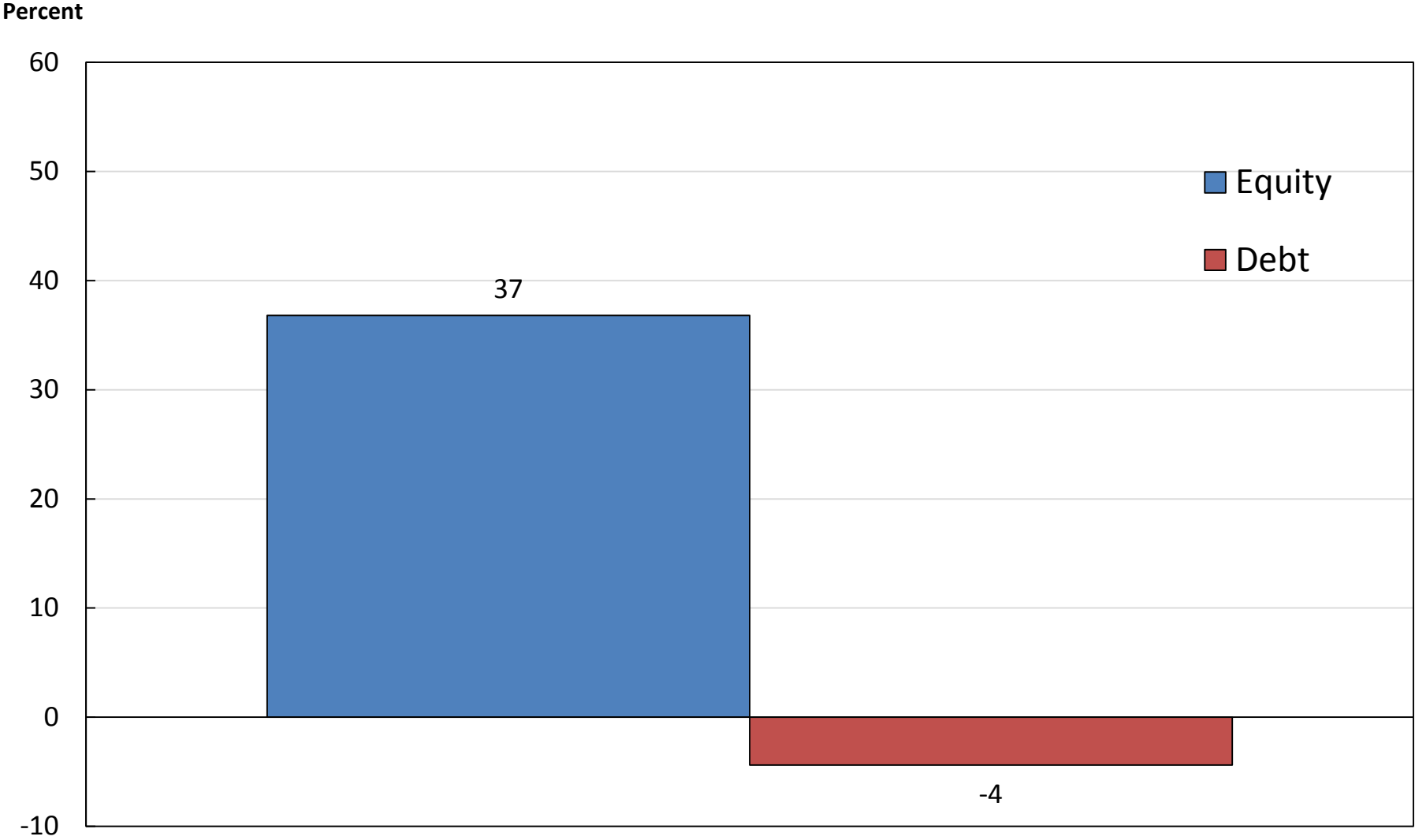
Source: Table 2.1, p. 12, *Treasury Conference on Business Taxation and Global Competitiveness: Background Papers*, 2007.

# Effective Marginal Tax Rates by Asset Type



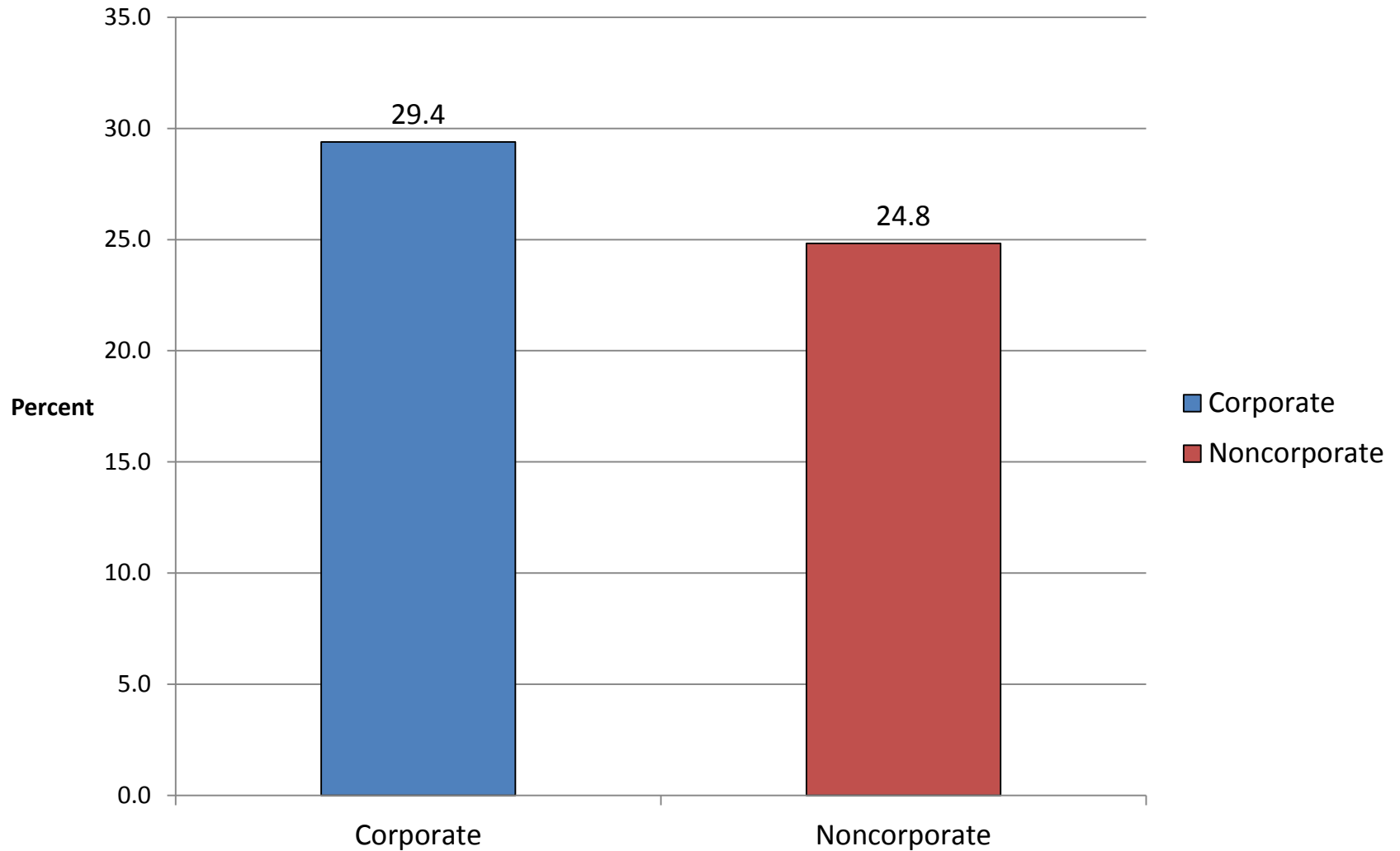
Source: U.S. Department of the Treasury, Office of Tax Analysis

# Marginal Tax Rates by Source of Financing



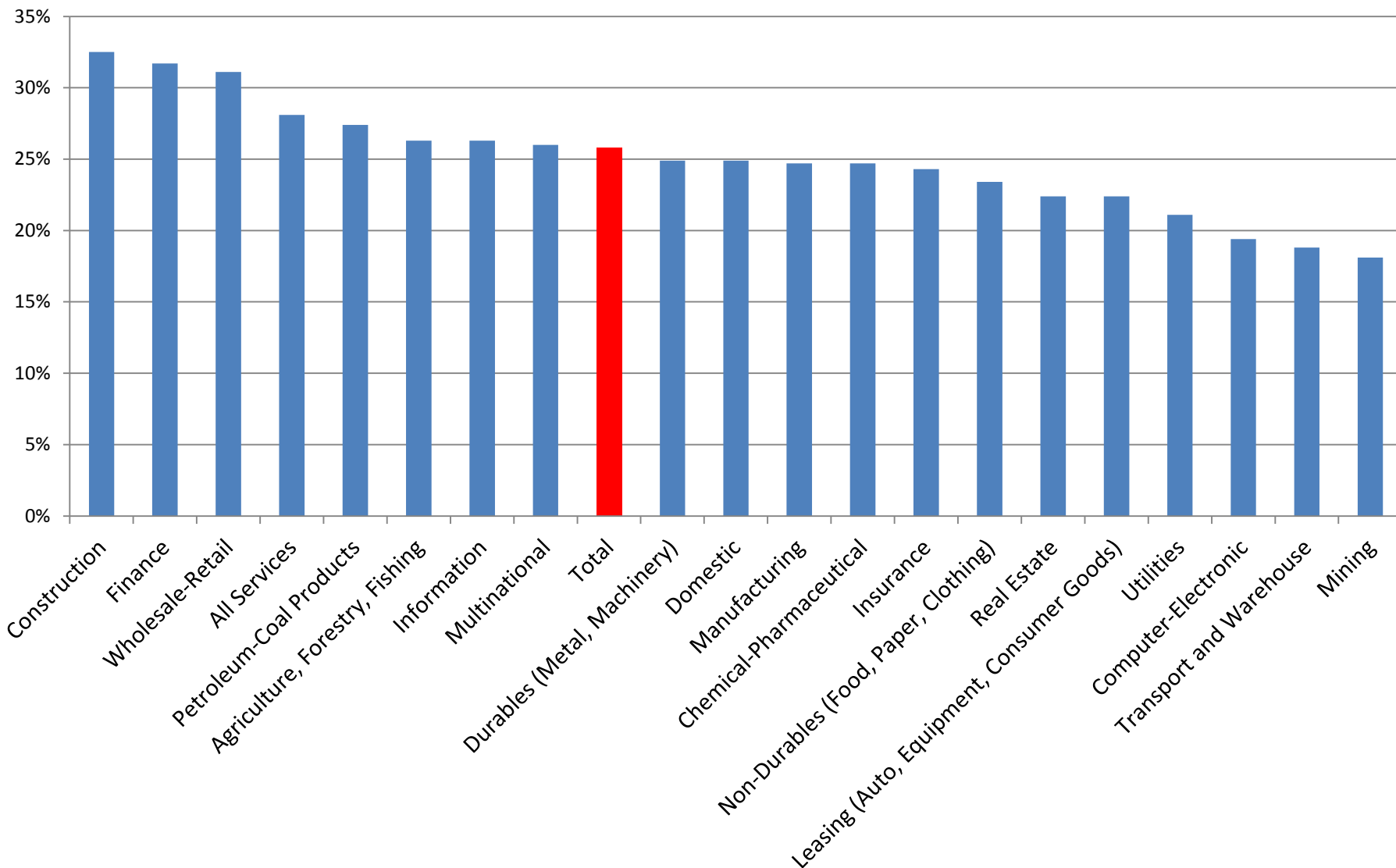
Source: U.S. Department of the Treasury, Office of Tax Analysis

# Effective Marginal Tax Rates by Corporate/Noncorporate



Source: U.S. Department of the Treasury, Office of Tax Analysis

# Effective Tax Rate by Industry



Source: U.S. Department of the Treasury, Office of Tax Analysis