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10/1/74

Tax Proposal--Option C

Tommy

	Revenue Gain or Loss <u>(\$ billions)</u>
1. A 5 percent surtax on individual tax liability allocable to income in excess of \$15,000	+2.60
2. A 5 percent surtax on corporate tax liabilities	+2.25
3. Income tax relief for families with incomes of less than \$15,000 to offset additional annual revenues of \$3 billion collected as a result of "bracket escalation" caused by post-1971 inflation	
Provided in pending tax reform bill--\$1.4 billion	
Balance	-1.60
4. Amount reserved for nontax relief to low-income persons who are not taxpayers	-0.50
5. Increase in investment tax credit from 7 percent to 10 percent combined with restructuring of the credit to increase its effectiveness	-2.60
6. Deduction of dividends paid on preferred stock	<u>-0.15</u>
7. Net revenue gain or loss	<u><u>-0-</u></u>

October 3, 1974

Revenue from 5 percent surcharge on corporations	\$2.25 bil.
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Benefits from investment tax
credit increase from 7 to
10 percent and restructuring
and preferred dividend deduction:

Corporations	2.15 bil.
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Unincorporated businesses	.54 bil.
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