

Detailed Single Year Tables
Category of Change: Coverage of Employment

Proposed Provision: F5. Tax Reform for Business: Establish a value added tax (VAT) of 3.0 percent for 2020 and 6.5 percent for 2021 and later. Assume about 75% of personal consumption expenditures is subject to the VAT.

| Proposal | | | | | Change from Current Law | | |
|--|------------------|--------------------|-----------------------|-----------------------|--|--------------------|-----------------------|
| Expressed as a percentage of current-law taxable payroll | | | | | Expressed as a percentage of current-law taxable payroll | | |
| Year | Cost Rate | Income Rate | Annual Balance | Trust Fund | Cost Rate | Income Rate | Annual Balance |
| | | | | Ratio 1-1-year | | | |
| 2018 | 13.81 | 12.64 | -1.17 | 288 | 0.00 | 0.00 | 0.00 |
| 2019 | 13.95 | 12.87 | -1.08 | 272 | 0.00 | 0.00 | 0.00 |
| 2020 | 14.12 | 12.45 | -1.67 | 256 | -0.00 | -0.44 | -0.44 |
| 2021 | 14.27 | 12.45 | -1.82 | 236 | -0.00 | -0.47 | -0.47 |
| 2022 | 14.43 | 12.47 | -1.96 | 217 | -0.00 | -0.47 | -0.47 |
| 2023 | 14.61 | 12.49 | -2.11 | 197 | -0.01 | -0.47 | -0.46 |
| 2024 | 14.78 | 12.52 | -2.26 | 177 | -0.03 | -0.47 | -0.45 |
| 2025 | 14.94 | 12.53 | -2.41 | 157 | -0.04 | -0.47 | -0.43 |
| 2026 | 15.09 | 12.66 | -2.44 | 138 | -0.06 | -0.48 | -0.41 |
| 2027 | 15.28 | 12.68 | -2.60 | 119 | -0.09 | -0.48 | -0.39 |
| 2028 | 15.47 | 12.69 | -2.77 | 100 | -0.12 | -0.48 | -0.36 |
| 2029 | 15.65 | 12.71 | -2.94 | 82 | -0.15 | -0.48 | -0.33 |
| 2030 | 15.81 | 12.72 | -3.08 | 63 | -0.18 | -0.48 | -0.30 |
| 2031 | 15.95 | 12.73 | -3.22 | 43 | -0.21 | -0.48 | -0.27 |
| 2032 | 16.08 | 12.74 | -3.34 | 24 | -0.24 | -0.48 | -0.25 |
| 2033 | 16.18 | 12.75 | -3.43 | 4 | -0.27 | -0.49 | -0.22 |
| 2034 | 16.27 | 12.76 | -3.51 | ---- | -0.30 | -0.49 | -0.19 |
| 2035 | 16.33 | 12.76 | -3.57 | ---- | -0.32 | -0.49 | -0.17 |
| 2036 | 16.38 | 12.77 | -3.61 | ---- | -0.35 | -0.49 | -0.14 |
| 2037 | 16.41 | 12.77 | -3.64 | ---- | -0.37 | -0.49 | -0.12 |
| 2038 | 16.43 | 12.78 | -3.65 | ---- | -0.39 | -0.49 | -0.10 |
| 2039 | 16.42 | 12.78 | -3.64 | ---- | -0.42 | -0.49 | -0.08 |
| 2040 | 16.39 | 12.78 | -3.62 | ---- | -0.44 | -0.50 | -0.06 |
| 2041 | 16.36 | 12.78 | -3.58 | ---- | -0.45 | -0.50 | -0.04 |
| 2042 | 16.30 | 12.77 | -3.53 | ---- | -0.47 | -0.50 | -0.03 |
| 2043 | 16.25 | 12.77 | -3.47 | ---- | -0.49 | -0.50 | -0.01 |
| 2044 | 16.19 | 12.77 | -3.42 | ---- | -0.50 | -0.50 | 0.00 |
| 2045 | 16.14 | 12.77 | -3.37 | ---- | -0.52 | -0.50 | 0.02 |
| 2046 | 16.10 | 12.77 | -3.33 | ---- | -0.53 | -0.50 | 0.03 |
| 2047 | 16.06 | 12.77 | -3.29 | ---- | -0.55 | -0.50 | 0.04 |
| 2048 | 16.02 | 12.76 | -3.25 | ---- | -0.56 | -0.50 | 0.05 |
| 2049 | 15.99 | 12.76 | -3.22 | ---- | -0.57 | -0.50 | 0.07 |
| 2050 | 15.96 | 12.76 | -3.20 | ---- | -0.58 | -0.50 | 0.07 |
| 2051 | 15.95 | 12.76 | -3.18 | ---- | -0.59 | -0.51 | 0.08 |
| 2052 | 15.94 | 12.76 | -3.17 | ---- | -0.60 | -0.51 | 0.09 |
| 2053 | 15.94 | 12.77 | -3.18 | ---- | -0.60 | -0.51 | 0.10 |
| 2054 | 15.95 | 12.77 | -3.19 | ---- | -0.61 | -0.51 | 0.10 |
| 2055 | 15.98 | 12.77 | -3.21 | ---- | -0.61 | -0.51 | 0.11 |
| 2056 | 16.00 | 12.77 | -3.23 | ---- | -0.62 | -0.51 | 0.11 |
| 2057 | 16.04 | 12.78 | -3.27 | ---- | -0.62 | -0.51 | 0.12 |
| 2058 | 16.08 | 12.78 | -3.31 | ---- | -0.63 | -0.51 | 0.12 |
| 2059 | 16.13 | 12.78 | -3.35 | ---- | -0.63 | -0.51 | 0.12 |
| 2060 | 16.17 | 12.79 | -3.39 | ---- | -0.63 | -0.51 | 0.13 |
| 2061 | 16.22 | 12.79 | -3.43 | ---- | -0.64 | -0.51 | 0.13 |
| 2062 | 16.27 | 12.79 | -3.47 | ---- | -0.64 | -0.51 | 0.13 |
| 2063 | 16.32 | 12.80 | -3.52 | ---- | -0.64 | -0.51 | 0.13 |
| 2064 | 16.37 | 12.80 | -3.57 | ---- | -0.65 | -0.51 | 0.14 |
| 2065 | 16.42 | 12.81 | -3.61 | ---- | -0.65 | -0.51 | 0.14 |
| 2066 | 16.47 | 12.81 | -3.66 | ---- | -0.65 | -0.51 | 0.14 |
| 2067 | 16.53 | 12.81 | -3.72 | ---- | -0.65 | -0.51 | 0.14 |
| 2068 | 16.59 | 12.82 | -3.77 | ---- | -0.66 | -0.51 | 0.15 |
| 2069 | 16.64 | 12.82 | -3.82 | ---- | -0.66 | -0.51 | 0.15 |
| 2070 | 16.70 | 12.83 | -3.88 | ---- | -0.66 | -0.51 | 0.15 |
| 2071 | 16.76 | 12.83 | -3.93 | ---- | -0.66 | -0.51 | 0.15 |
| 2072 | 16.80 | 12.83 | -3.97 | ---- | -0.67 | -0.51 | 0.16 |
| 2073 | 16.85 | 12.84 | -4.01 | ---- | -0.67 | -0.51 | 0.16 |
| 2074 | 16.88 | 12.84 | -4.04 | ---- | -0.67 | -0.51 | 0.16 |
| 2075 | 16.92 | 12.84 | -4.07 | ---- | -0.67 | -0.51 | 0.16 |
| 2076 | 16.94 | 12.84 | -4.09 | ---- | -0.67 | -0.51 | 0.16 |
| 2077 | 16.95 | 12.84 | -4.11 | ---- | -0.67 | -0.51 | 0.16 |
| 2078 | 16.95 | 12.85 | -4.11 | ---- | -0.67 | -0.51 | 0.16 |
| 2079 | 16.95 | 12.84 | -4.10 | ---- | -0.67 | -0.51 | 0.16 |
| 2080 | 16.93 | 12.84 | -4.09 | ---- | -0.67 | -0.51 | 0.16 |
| 2081 | 16.92 | 12.84 | -4.07 | ---- | -0.67 | -0.51 | 0.16 |
| 2082 | 16.90 | 12.84 | -4.06 | ---- | -0.67 | -0.51 | 0.16 |
| 2083 | 16.88 | 12.84 | -4.04 | ---- | -0.67 | -0.51 | 0.16 |
| 2084 | 16.87 | 12.84 | -4.03 | ---- | -0.67 | -0.51 | 0.16 |
| 2085 | 16.86 | 12.84 | -4.02 | ---- | -0.67 | -0.51 | 0.16 |
| 2086 | 16.86 | 12.84 | -4.02 | ---- | -0.67 | -0.51 | 0.16 |
| 2087 | 16.86 | 12.84 | -4.02 | ---- | -0.67 | -0.51 | 0.16 |
| 2088 | 16.88 | 12.84 | -4.03 | ---- | -0.67 | -0.51 | 0.16 |
| 2089 | 16.90 | 12.84 | -4.05 | ---- | -0.67 | -0.51 | 0.16 |
| 2090 | 16.93 | 12.84 | -4.08 | ---- | -0.67 | -0.51 | 0.16 |
| 2091 | 16.96 | 12.85 | -4.12 | ---- | -0.67 | -0.51 | 0.16 |
| 2092 | 17.00 | 12.85 | -4.15 | ---- | -0.68 | -0.51 | 0.16 |
| 2093 | 17.05 | 12.85 | -4.19 | ---- | -0.68 | -0.51 | 0.17 |

| Summarized Estimates: Proposal | | | | |
|---------------------------------------|-----------|-------------|-------------------|--|
| | Cost Rate | Income Rate | Actuarial Balance | Year of reserve depletion ¹ |
| 2018 | | | | |
| -2092 | 16.23% | 13.36% | -2.87% | 2033 |

| Summarized Estimates: Change from Current Law | | |
|--|-------------|-------------------|
| Cost Rate | Income Rate | Actuarial Balance |
| -0.46% | -0.48% | -0.03% |

¹ Under current law, the year of Trust Fund reserve depletion is 2034.