



President Trump's Proposed Corporate Tax Rate Drop

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<https://budgetmodel.wharton.upenn.edu/estimates/2020/10/22/trump-corporate-tax-rate-drop>

Summary: We present budgetary and economic estimates for President Trump's proposed corporate income tax rate reduction from 21 percent to 20 percent.*

* <https://thehill.com/policy/finance/521191-trump-said-he-may-lower-corporate-tax-rate-to-20-percent-if-reelected>

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Table 1. Conventional Revenue Estimate, Fiscal Years 2021-2030

Billions of Dollars, Change from Current-Law Baseline

Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-2030
Revenues	-7.0	-11.7	-13.0	-13.4	-13.8	-14.3	-15.2	-15.2	-15.0	-15.2	-133.7



Table 2. Economic Effects of Proposed Corporate Rate Drop
Percent Change from Baseline

Year	Average Hourly				Debt Held By The Public
	GDP	Capital	Wage	Hours Worked	
2030	0.04%	0.14%	0.02%	-0.01%	0.87%
2040	-0.01%	0.02%	-0.02%	-0.03%	1.18%
2050	-0.10%	-0.21%	-0.10%	-0.04%	1.29%