

Table 3. Macroeconomic Effects of Increases in Capital Gains Tax to 20% and Dividend Tax Rate to 39.6%: 2013 to 2021* (Changes Relative to Baseline, Unless Otherwise Indicated)

	2013	2014	2015	2016	2017	2019	2021	Avg. Per Year 2013-17	Avg. Per Year 2013-21
Economy									
Real GDP Growth (Pctg. Pts.)	-0.4	-0.3	unch.	0.2	-0.1	0.1	0.1	-0.1	unch.
Real GDP (Bils. '00 \$s)	-43.7	-88.3	-96.8	-74.1	-91.0	-89.4	-63.7	-79.2	-80.0
Real GDP (Pct. Diff. in Level)	-0.4	-0.7	-0.7	-0.5	-0.6	-0.6	-0.4	-0.6	-0.6
Consumption (Bils. '00 \$s)	-47.0	-115.2	-145.9	-136.2	-166.1	-212.5	-175.0	-122.1	-155.1
Capital Spending (Bils. '00 \$s)	-2.2	-12.2	-23.6	-27.2	-24.4	-25.1	-17.5	-17.9	-20.0
(Pct. Diff. in Level)	-0.3	-1.1	-1.6	-1.4	-0.9	-0.3	0.1	-1.1	-0.6
Employment and Unemployment									
Household Survey (Mils. Persons)	-0.139	-0.457	-0.561	-0.416	-0.326	-0.340	-0.203	-0.380	-0.344
Unemployment Rate (%)	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.1
Inflation									
Consumption Deflator (Pctg. Pts.)	unch.	-0.1	-0.1	-0.1	-0.1	unch.	unch.	-0.1	unch.
Consumption Deflator Ex-Food & Energy (Pctg. Pts.)	unch.	-0.1	-0.1	-0.1	-0.1	unch.	unch.	-0.1	-0.1
Savings									
Personal Savings Rate (NIPA, Pctg. Pts.)	-0.1	0.8	1.1	1.1	0.3	0.6	0.2	0.6	0.6
Flow-of-Funds Savings Rate (Pctg. Pts.)	-0.8	-1.0	unch.	0.6	0.2	0.7	0.3	-0.2	-0.1
Financial									
Aftertax Weighted Average Cost-of-Capital (Diff. in Level)	0.03	0.06	0.06	0.04	0.03	0.04	-0.14	0.04	0.01
S&P500 Oper. EPS (Diff. in \$s)	-0.9	-2.0	-2.4	-2.2	-3.1	-3.9	-3.9	-1.6	-2.0
S&P500 Price Index (Pct. Diff. in Level)	-8.1	-16.1	-19.6	-17.9	-16.7	-17.6	-4.3	-16.0	-14.5
Federal Government Budget Deficit									
(\$ Bils., Unified)	22.4	-9.7	-34.9	-24.0	82.7	151.9	142.0	7.3	70.4
Deficit/GDP (Ratio)	0.1	-0.1	-0.2	-0.1	0.4	0.6	0.5	unch.	0.3
Gross Federal Government									
Debt/GDP (Ratio)	0.1	0.5	1.0	1.1	0.9	0.1	-0.9	0.7	-0.2

Source: “The Fiscal Cliff: Impact on U.S. Economy and Employment if Bush Tax Cuts Expire,” Allen Sinai, Report Prepared for ACCF CPR, June 2012.
<http://acfc.org/uncategorized/macro-economic-effects-of-coming-tax-increases-2013-22>