



TaxNewsFlash

United States

No. 2018-565
December 13, 2018

CBO report, options for reducing budget deficit include tax proposals

The Congressional Budget Office (CBO) today released a report that provides options for reducing the budget deficit.

The CBO report—[Options for Reducing the Deficit: 2019 to 2028](#) [PDF 4.23 MB]—includes proposals to address the deficit with spending cuts and revenue increases. The options for revenue propose increasing revenues by raising tax rates, imposing a new tax on income, or broadening the base for an existing tax. One option would raise revenues by increasing funding for IRS enforcement of the tax law.

In the report, CBO presented 40 separate options to revise the tax system to raise revenue. These specific proposals include changes to:

- Individual income tax rates (on both ordinary income, capital gains, and dividends)
- The individual income tax base (e.g., exclusions and deductions)
- Individual income tax credits
- Payroll taxes
- Taxation of income from businesses and other entities (including the corporate rate)
- Taxation of income from worldwide business activity
- Excise taxes, other taxes and fees (including the creation of a value added tax (VAT))
- Tax enforcement (providing for additional funding for the IRS)

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)