

Revised
1/23/42

OUTLINE FOR PROPOSED REVENUE ACT OF 1942

The anti-inflationary elements of the program should consist primarily of:

1. A 10 per cent withholding tax levied on reduced exemptions of \$1,000 for married persons, \$500 for single persons, and \$300 for each dependent.
Yield: \$3.0 billion
2. Increasing coverage and raising rates under the payroll taxes
Yield: 1.9 billion
3. Heavier excise taxes on scarce goods
Yield: 0.5 billion

To assure equity and to check the increase in the public debt, these changes should be balanced by:

4. Increases in the corporate excess profits and surtax
Yield: 3.0 billion
 5. Increases in surtax rates under the individual income tax
Yield: 0.3 billion
 6. Lowered exemptions and increased rates under the estate and gift taxes
Yield: 0.3 billion
 7. Closing loopholes, principally mandatory joint returns, taxation of life insurance companies and percentage depletion
Yield: 0.8 billion
- Gross yield, exclusive of payroll tax suggestions 7.9 billion
Less allowance for interrelated tax bases 1.0 billion
-
- NET YIELD 6.9 billion