TABLE 3.—COMPARISON OF 1963–66 TAX LIABILITY AND 1967–68 TAX LIABILITY UNDER PROPOSED TAX INCREASE FOR ILLUSTRATIVE TAXPAYERS[1] (MARRIED COUPLE, 2 DEPENDENTS)

Wage income	1963 tax[2]	1964 Tax Act decrease	1966 tax[2]	1967 tax[2]	Tax increase over 1966 tax[3]	1968 tax[2]	Tax increase over 1966 tax[4]
$3,000	$65	$61	$4	$4	(5)	$4	(5)
$5,000	420	130	290	290	(5)	290	(5)
$7,500	877	191	686	703	$17	755	$69
$10,000	1,372	258	1,114	1,142	28	1,225	111
$12,500	1,901	334	1,567	1,606	39	1,724	157
$15,000	2,486	424	2,062	2,114	52	2,268	206
$20,000	3,800	640	3,160	3,239	79	3,476	316
$25,000	5,318	906	4,412	4,522	110	4,853	441
$35,000	9,037	1,508	7,529	7,717	188	8,282	753

[1] Proposed tax increase of 2.5 percent of the tax in 1967 and 10 percent in 1968 which does not apply to single returns with taxable income of $1,000 or less and joint returns with taxable income of $2,000 or less.
[2] Tax liability computations assume minimum standard deduction or deductions equal to 10 percent of income whichever is greater. Tax liability from optional tax table where income is under $5,000.
[3] 1967 tax minus 1966 tax.
[4] 1968 tax minus 1966 tax.
[5] There is no increase in 1967 or 1968 for a married couple whose tax at 1966 rates is $290 or less.

Estimated net administrative budget receipts in the fiscal year 1968 (assuming President's tax program)

	Billions
Individual income taxes	$70.5
Corporation income taxes	32.7
Excise taxes	9.1
Estate and gift taxes	3.0
Customs	2.0
Miscellaneous receipts	5.2
Net administrative budget receipts	122.5

UNDERLYING INCOME ASSUMPTIONS, CALENDAR YEAR 1967

Gross national product	783.0
Personal income	625.0
Corporate profits	80.0

Mr. FOWLER. Thank you.
The CHAIRMAN. Mr. Secretary, we thank you.

(The draft of the bill and technical explanation, prepared by the Department of the Treasury, requested to be placed in the record by Chairman Mills follows:)

A BILL To amend the Internal Revenue Code of 1954 to impose a temporary surcharge tax, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This Act may be cited as the "Surcharge Tax Act of 1967."
(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section other provision of the Internal Revenue Code of 1954.

SEC. 2. IMPOSITION OF TAX SURCHARGE

(a) In General.—Subchapter A of chapter 1 (relating to determination of tax liability) is amended by inserting at the end thereof the following new part: