May 31, 2018

New taxcalculator interface for Arnold Grant

1. Ordinary rates file has household taxable (at ordinary rates) income brackets and rates by year.
2. Preferred rates file has household taxable (at preferred rates) income brackets and rates by year.
3. Aggregates file has revenue series (not fully specified in this document).
4. Capital tax file has the following fields (by year)

* rateCorporate – effective rate on corporate income at business-level.
* rateCorporateStatutory – statutory rate on corporate income (used to deduct investment expensing and interest).
* rateCorpExpensing – NPV rate of investment expensing for corporate investment.
* ratePassThroughExpensing -- NPV rate of investment expensing for pass-through investment.
* rateForeignCorpIncome -- Tax rate on corp. distributions to foreigners
* rateForeignPassThroughIncome – Tax rate on pass-through distributions to foreigners
* shareCorpPreferred – portion of corporate income which receives preferred rate tax treatment at household level.
* shareCorpOrdinary – portion of corporate income which receives ordinary rate tax treatment at household level.
* sharePassThroughPreferred – portion of pass-through income which receives preferred rate tax treatment at household level.
* sharePassThroughOrdinary – portion of pass-through income which receives ordinary rate tax treatment at household level.
* shareCapitalCorp – portion of capital income (and by assumption capital) which is from corporate businesses.
* shareCapitalPassThrough – portion of capital income (and by assumption capital) which is from pass-through businesses.

*NOTES:*

1. *Shares of business income do not need to sum to 1. For instance, for pass-throughs, setting sharePassThroughOrdinary = 0.8 and sharePassThroughPreferred = 0 implies a 20% reduction of pass-through income tax base which then gets ordinary rates tax treatment.*
2. *shareCapitalCorp + shareCapitalPassThrough = 1 by definition.*
3. *For June, we can set ratePassThrough = 0 and ratePassThroughExpensing = rateCorpExpensing.*