

# Tax Policy Proposal Template

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This template will guide you through creating a comprehensive tax policy proposal. Complete each section thoughtfully, using evidence and reasoning to support your positions. The most effective policy proposals are specific, evidence-based, and consider multiple perspectives.

## 1. Executive Summary

Provide a brief overview of your tax policy proposal. Summarize the problem, your proposed solution, and the expected benefits. (1-2 paragraphs)

**Tip:** Write this section last, after completing all other sections. Focus on clarity and brevity.

## 2. Problem Statement

Describe the specific tax issue or problem you aim to address. Explain why this problem matters and who is affected by it.

**Example:** "The current mortgage interest deduction disproportionately benefits high-income homeowners while providing minimal support to middle and lower-income families. This inequity in the tax code reduces housing affordability for those who need it most and costs the federal government approximately \$70 billion annually in foregone revenue."

### Key Elements to Include:

- Clear identification of the specific tax issue
- Data or evidence demonstrating the scope of the problem
- Explanation of who is affected and how
- Brief analysis of why the current approach is inadequate

### 3. Background and Context

Provide relevant background information on the tax issue, including how the current policy evolved and any previous reform attempts.

#### Key Elements to Include:

- Brief history of the current tax policy
- Explanation of how the policy currently works
- Relevant data on the policy's current effects
- Summary of previous reform attempts or proposals

## 4. Policy Objectives

Clearly state what your policy aims to achieve. Objectives should be specific, measurable, and focused on outcomes.

**Example:** "This policy aims to: 1) Increase tax equity by ensuring taxpayers with similar incomes pay similar amounts of tax regardless of income source; 2) Generate an estimated \$40 billion in additional annual revenue; 3) Simplify compliance for taxpayers by eliminating three complex deductions."

### Key Elements to Include:

- 3-5 specific objectives your policy will achieve
- Quantifiable targets where possible
- Balance between economic, social, and administrative goals

## 5. Policy Proposal

Describe your proposed tax policy change in detail. Be specific about what would change and how it would work.

### Key Elements to Include:

- Detailed description of your proposed tax change
- Specific rates, thresholds, or parameters
- Phase-in period or implementation timeline
- Administrative requirements for implementation

**Tip:** Be as specific as possible. Instead of "raise capital gains taxes," specify "increase the long-term capital gains tax rate from 20% to 28% for taxpayers with incomes above \$1 million."

## 6. Impact Analysis

Analyze how your proposed policy would affect different stakeholders and the broader economy.

### Key Elements to Include:

- Revenue impact (how much money would be raised or lost)
- Distributional analysis (effects across income levels)
- Economic effects (on growth, investment, employment, etc.)
- Behavioral responses (how taxpayers might change behavior)
- Unintended consequences and how they would be addressed

## 7. Stakeholder Analysis

Identify key stakeholders and analyze how they would be affected by your proposal.

### Key Elements to Include:

- List of key stakeholder groups
- Expected benefits for each stakeholder group
- Potential costs or challenges for each group
- Likely positions of major stakeholders toward the proposal

**Example Stakeholders:** Individual taxpayers by income group, small businesses, large corporations, tax professionals, government agencies, specific industries, etc.

## 8. Potential Objections and Responses

Anticipate criticisms of your proposal and provide thoughtful responses.

### Key Elements to Include:

- 3-5 likely objections to your proposal
- Thoughtful, evidence-based responses to each objection
- Modifications that could address legitimate concerns



## 9. Implementation Plan

Outline how your policy would be implemented, including timeline and responsible agencies.

### Key Elements to Include:

- Timeline for implementation
- Government agencies or bodies responsible for implementation
- Administrative requirements and costs
- Transition procedures for affected taxpayers

## 10. Monitoring and Evaluation

Describe how you would measure the success of your policy and what metrics would be used for evaluation.

### Key Elements to Include:

- Specific metrics to track policy effectiveness
- Data collection methods and responsible entities
- Timeline for evaluation
- Process for making adjustments based on results

## 11. Conclusion

Summarize your proposal and make a final case for why it should be adopted.

**Tip:** Emphasize the policy's alignment with broader values like fairness, economic growth, simplicity, or fiscal responsibility.

## 12. References

List all sources of data, information, and ideas cited in your proposal.

**Tip:** Use a consistent citation format (APA, MLA, etc.) and ensure all factual claims are supported by credible sources.