

## Example of Increased Marginal Rate on a Small Business Owner

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**Business Taxable Income** **\$500,000**

**Tax Under Current Law** **\$146,700**

**Tax With Higher Rates** **\$166,300**

**Tax Increase** **\$19,600**

**Percent Increase** **13%**

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Source: Finance Committee Republican Staff calculations. Assumes taxpayer files jointly and has two dependents. Assumes current law tax brackets. Includes marginal rate effects of restoring Personal Exemption Phase-out and Itemized Deduction Cutback.