

Tax Gap Reality Check

Gross Tax Gap: \$345 Billion
Improvements in Collections Since 2001: \$55 Billion
ANNUAL NET TAX GAP: \$290 Billion

TAX GAP PROPOSALS:

Treasury Tax Gap Proposals: \$3.6 Billion
January 2005 JCT Proposals: \$40.4 Billion
Total Tax Gap Proposals: \$44.0 Billion

ENACTED TAX GAP PROVISIONS:

Mortgage Relief Bill: \$0.1 Billion
Minimum Wage Bill: \$0.5 Billion
Total Enacted Provisions: \$0.6 Billion

PERCENTAGE OF TAX GAP RAISED:

0.2%

Source: IRS, Joint Committee on Taxation.
Note that 1 year numbers are calculated by dividing the 10 year JCT numbers by 10.