

22-May-03

Preliminary Results

<http://www.taxpolicycenter.org>

Based on Conference Report (H. Rept. 108-126)

Table T03-0120**Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act
of 2003:****EITC Claimants With No Tax Cut by AGI Class, 2003¹**

AGI Class (thousands of 2002 dollars) ²	Returns Claiming EITC		EITC Claimants with No Tax Cut	
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Returns
Less than 10	7,148	34.8	7,108	99.4
10-20	7,538	36.7	5,593	74.2
20-30	5,086	24.8	1,112	21.9
More than 30	656	3.2	39	5.9
All	20,539	100.0	13,951	67.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1).

(1) Calendar year. Baseline is current law. Includes the following provisions: increase child tax credit to \$1,000; expand size of the 10-percent bracket to \$7,000 for singles and \$14,000 for married couples; expand 15-percent bracket for married couples to twice that for singles; increase standard deduction for married couples to twice that for singles; reduce top four tax rates to 25, 28, 33, and 35 percent; increase AMT exemption by \$9,000 for married couples and \$4,500 for others; reduce the tax rate on qualifying dividends and long-term capital gains to 15 percent (the rate for individuals in the 10 and 15-percent tax brackets would be 5 percent; preferential rates would not apply to income that, under current law, is reported as dividends on tax returns but represents distributions of interest income from mutual funds; lower capital gains rates apply to qualifying assets sold on or after May 6, 2003).

(2) Returns with negative AGI are excluded from the lowest income class but are included in the totals.