

Table T04-0088
Supplement to Table T04-0077

Sub-Sample of Tax Filing Units with Positive Individual Income Tax Liability After Refundable Credits¹:

Combined Effect of House Bills on Marriage Penalty Reform, AMT Relief, Extension of the 10-Percent Income Tax Bracket, and Increased and Expanded Child Credit:

Distribution of Individual Income Tax Change by Cash Income Class, 2005²

Cash Income Class (thousands of 2003 dollars) ³	Individual Income Taxpayers ⁴			Percent Change in After-Tax Income ⁵	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
Less than 10	733	0.8	5.3	0.1	*	-4	14.1	14.1
10-20	8,282	9.2	51.1	0.2	0.5	-30	16.4	16.2
20-30	10,566	11.8	89.1	0.3	1.4	-68	18.2	17.9
30-40	11,019	12.3	96.0	0.5	2.8	-132	19.1	18.7
40-50	9,943	11.1	97.1	0.6	4.2	-218	19.1	18.6
50-75	19,240	21.4	98.6	0.7	12.4	-332	19.9	19.4
75-100	11,626	13.0	99.0	1.1	16.8	-744	21.4	20.5
100-200	13,883	15.5	99.6	1.5	41.6	-1,545	23.7	22.6
200-500	3,557	4.0	96.0	1.3	19.2	-2,779	26.6	25.6
500-1,000	588	0.7	72.0	0.1	0.8	-736	27.8	27.7
More than 1,000	281	0.3	80.2	*	0.4	-659	31.2	31.2
All	89,718	100.0	91.7	0.9	100.0	-575	23.4	22.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Tax units with zero or negative individual income tax after refundable credits (EITC and refundable portion of child credit) are excluded from the analysis.

(2) Calendar year. Baseline is current law. Provisions include: increasing the standard deduction and the width of the 15 percent bracket for married couples filing a joint return to twice that of singles; increasing AMT exemption to \$58,000 for married couples filing a joint return (\$29,000 for married individuals filing a separate return) and \$40,250 for others, indexed for inflation after 2004; increasing the width of the 10 percent bracket to \$14,000 for married couples filing a joint return (\$7,000 for singles), indexed for inflation after 2003; increasing the child credit to \$1,000; increasing phaseout threshold for child credit to \$125,000 (\$250,000 for married couples filing a joint return).

(3) Individual income taxpayers with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(4) Includes only individual income taxpayers. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.