

**Table T04-0066**  
**H.R. 4181, Extension of Marriage-Penalty Reform:**  
**Distribution of Tax Change by Cash Income Class, 2005<sup>1</sup>**

Cash Income Class (thousands of 2003 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>		
	Number (thousands)	Percent of Total				Percent with Tax Cut	Current Law	Proposal
<b>Less than 10</b>	20,301	14.0	0.2	*	*	**	3.4	3.4
<b>10-20</b>	26,357	18.1	2.1	0.0	0.4	-2	5.5	5.5
<b>20-30</b>	20,537	14.1	11.3	0.1	2.7	-12	11.2	11.2
<b>30-40</b>	15,633	10.8	17.7	0.1	4.4	-26	15.4	15.3
<b>40-50</b>	11,543	7.9	24.9	0.1	5.5	-44	17.5	17.4
<b>50-75</b>	20,112	13.8	35.0	0.1	14.1	-65	19.5	19.4
<b>75-100</b>	11,773	8.1	43.5	0.3	28.1	-222	21.2	21.0
<b>100-200</b>	14,039	9.7	48.0	0.2	38.2	-253	23.5	23.4
<b>200-500</b>	3,588	2.5	16.6	*	3.3	-86	26.4	26.4
<b>500-1,000</b>	593	0.4	51.3	0.1	2.0	-310	27.8	27.7
<b>More than 1,000</b>	284	0.2	63.9	*	1.2	-394	31.2	31.2
<b>All</b>	145,321	100.0	19.6	0.1	100.0	-64	21.3	21.2

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

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

(1) Calendar year. Baseline is current law. Provisions include: increase standard deduction and width of the 15-percent bracket for married couples to twice that of singles.

(2) Tax units 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>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) 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.

(5) 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.