

Table T04-0145
Conference Agreement on H.R. 1308, The Working Families Tax Relief Act of 2004:
Distribution of Individual Income Tax Change by Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
Less than 10	20,301	14.0	0.3	0.0	0.0	0	3.4	3.3
10-20	26,357	18.1	20.4	0.1	1.1	-20	5.5	5.4
20-30	20,537	14.1	65.4	0.5	4.3	-106	11.2	10.8
30-40	15,633	10.8	79.6	0.5	5.0	-160	15.4	14.9
40-50	11,543	7.9	89.3	0.6	5.3	-231	17.5	17.0
50-75	20,112	13.8	96.6	0.7	13.5	-336	19.5	18.9
75-100	11,773	8.1	98.1	1.1	17.4	-737	21.3	20.4
100-200	14,039	9.7	98.6	1.2	36.4	-1,292	23.6	22.6
200-500	3,588	2.5	94.6	1.0	15.7	-2,186	26.3	25.6
500-1,000	593	0.4	72.3	0.1	0.8	-711	27.7	27.6
More than 1,000	284	0.2	79.7	0.0	0.4	-644	31.2	31.1
All	145,321	100.0	62.3	0.7	100.0	-343	21.3	20.7

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

(1) 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; 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; allowance of personal non-refundable credits against regular tax and AMT liability regardless of tentative AMT. For the distribution including corporate tax changes, see Table T04-0153.

(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.