

December 16, 2004

**Table T05-0022**  
**Unified Tax Plan C Against Extended Law**  
**Number of Tax Units by Size of Income Tax Cut, 2010<sup>1</sup>**

Income Tax Change (\$)	Tax Units <sup>2</sup>	
	Number (thousands)	Average Tax Change (\$)
Over 50,000	807	222,010
50,000 - 10,001	2,720	21,100
10,000 - 5001	2,585	6,990
5,000 - 2,001	6,726	3,226
2,000 - 1,001	3,719	1,449
1,000 - 501	3,651	723
500 - 101	6,902	273
100 - 1	7,948	28
0	14,066	0
-1 - -100	2,670	-53
-101 - -500	19,010	-324
-501 - -1,000	30,040	-734
-1,001 - -2,000	32,485	-1,428
-2,001 - -5,000	17,633	-3,023
-5,001 - -10,000	4,027	-6,605
-10,001 - -50,000	424	-13,723
Less than -50,000	19	-143,298
All	155,433	793

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

(1) Baseline is current law with 2001 and 2003 tax cuts extended. The Unified Tax Plan C contains the following provisions. Capital gains and dividends are taxed as ordinary income, the refundability threshold for the child tax credit is lowered to \$5,000 and unindexed, a \$250 capital income exclusion is added, the standard deduction is increased to \$10,000 for married couples, the AMT is eliminated, the PEP/PEASE provisions are retained, tax-deferred retirement saving is instead replaced with a revenue-neutral refundable credit rate, and the tax structure is simplified to 3 rates, 15%, 25%, and 39.6% at \$0, \$25,000 and \$120,000 respectively for married couples filing jointly. The employee share of OASDI is eliminated, and the employer cap on social security taxes is eliminated. The estate tax is adjusted to have a \$2.5 million exemption and a 48% maximum rate. \$30 billion a year is estimated to be recouped by closing corporate tax loopholes.

(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>