

Table T05-0279

**Effects of the 2001-2004 Individual Income Tax Cuts on Representative Families**  
By Family Type, Filing Status, and Adjusted Gross Income for Tax Year 2005

	Single	Head of Household					Married Filing Joint				
# Children <sup>1</sup>	0	1	2	3	6	0	1	2	3	6	
# Tax Filers <sup>2</sup>	47.1 mil	9.2 mil	4.8 mil	1.0 mil	0.01 mil	29.7 mil	8.9 mil	8.8 mil	3.2 mil	0.06 mil	

**Amount of Tax Cut or Increased Refund**

\$10,000	\$90	\$0*	\$0*	\$0*	\$0*	\$153*	\$0*	\$0*	\$0*	\$0*
\$15,000	340	600*	600*	600*	600*	45**	701*	733*	733*	733*
\$20,000	365	815*	1,350*	1,350*	1,350*	435	1,280*	1,771*	1,771*	1,771*
\$25,000	365	1,023**	1,405*	2,100*	2,100*	685	1,345*	2,201*	2,521*	2,521*
\$35,000	365	1,023	1,523	2,023**	1,720*	985	1,485	2,286**	2,626**	1,399*
\$40,000	428	1,023	1,523	2,163**	4,600**	985	1,485	1,985**	2,455**	2,265*
\$50,000	1,142	1,087	1,807	3,287	7,727**	1,050	1,550	2,050	2,550**	5,239**
\$60,000	1,999	1,613	2,957	4,598	9,028**	1,058	1,558	2,058	2,558	6,994**
\$75,000	3,466	3,081	4,135	5,935	10,492	2,848	2,932	3,197	4,677	9,023**
\$100,000	5,758	4,481	5,135	6,095	10,008	5,093	5,497	5,901	7,392	12,584
\$125,000	8,119	6,841	6,649	7,361	10,752	7,274	7,428	8,082	8,486	13,380
\$150,000	10,001	9,043	8,715	8,609	10,859	9,346	9,154	8,962	9,770	13,012
\$200,000	15,776	12,315	11,497	11,497	11,497	13,748	13,652	13,556	13,460	14,641
\$500,000	40,731	39,674	39,674	39,674	39,674	40,170	40,170	40,170	40,170	40,170
\$1,000,000	87,282	86,226	86,226	86,226	86,226	86,722	86,722	86,722	86,722	86,722

**Remaining Tax Liability After Tax Cut**

\$10,000	\$46	(\$2,662)	(\$4,000)	(\$4,000)	(\$4,000)	(\$287)	(\$2,662)	(\$4,000)	(\$4,000)	(\$4,000)
\$15,000	680	(3,162)	(4,867)	(4,867)	(4,867)	0	(3,262)	(5,000)	(5,000)	(5,000)
\$20,000	1,405	(2,133)	(4,564)	(4,564)	(4,564)	360	(3,042)	(4,986)	(4,986)	(4,986)
\$25,000	2,155	(791)	(3,351)	(4,261)	(4,261)	860	(1,743)	(4,363)	(4,683)	(4,683)
\$35,000	3,655	1,673	137	(1,343)	(3,655)	2,060	580	(1,257)	(2,577)	(4,077)
\$40,000	4,615	2,423	943	(538)	(4,350)	2,810	1,330	(150)	(1,600)	(4,350)
\$50,000	6,671	3,839	2,359	879	(3,561)	4,227	2,747	1,267	(213)	(4,602)
\$60,000	8,609	5,641	3,841	2,165	(2,275)	5,714	4,234	2,754	1,274	(3,166)
\$75,000	11,301	8,334	6,534	4,734	177	7,506	6,026	4,546	3,066	(1,374)
\$100,000	16,522	14,393	12,843	11,043	7,130	12,221	10,421	8,621	6,821	1,629
\$125,000	21,788	19,123	18,323	17,023	13,632	16,951	15,901	14,101	12,301	7,267
\$150,000	27,462	24,437	23,772	23,772	21,522	22,029	21,229	20,429	18,629	14,007
\$200,000	38,524	36,814	36,814	36,814	36,814	32,454	31,558	30,662	29,766	28,261
\$500,000	119,146	116,238	116,238	116,238	116,238	112,733	112,733	112,733	112,733	112,733
\$1,000,000	256,819	253,911	253,911	253,911	253,911	250,407	250,407	250,407	250,407	250,407

**Increase in After-Tax Income Resulting From the Tax Cut**

\$10,000	0.9%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%
\$15,000	2.4	3.4	3.1	3.1	3.1	0.3	4.0	3.8	3.8	3.8
\$20,000	2.0	3.8	5.8	5.8	5.8	2.3	5.9	7.6	7.6	7.6
\$25,000	1.6	4.1	5.2	7.7	7.7	2.9	5.3	8.1	9.3	9.3
\$35,000	1.2	3.2	4.6	5.9	4.7	3.1	4.5	6.7	7.5	3.7
\$40,000	1.2	2.8	4.1	5.6	11.6	2.7	4.0	5.2	6.3	5.4
\$50,000	2.7	2.4	3.9	7.2	16.9	2.3	3.4	4.4	5.3	10.6
\$60,000	4.0	3.1	5.6	8.6	17.0	2.0	2.9	3.7	4.6	12.5
\$75,000	5.8	4.8	6.4	9.2	16.3	4.4	4.4	4.8	7.0	13.4
\$100,000	7.4	5.5	6.3	7.4	12.1	6.2	6.5	6.9	8.6	14.7
\$125,000	8.5	6.9	6.6	7.3	10.7	7.2	7.3	7.9	8.1	12.8
\$150,000	8.9	7.8	7.4	7.3	9.2	7.9	7.7	7.4	8.0	10.6
\$200,000	10.8	8.2	7.6	7.6	7.6	8.9	8.8	8.7	8.6	9.3
\$500,000	12.0	11.5	11.5	11.5	11.5	11.6	11.6	11.6	11.6	11.6
\$1,000,000	13.3	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1

**Tax Cut as a Percentage of Baseline Tax Liability**

\$10,000	66.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$15,000	33.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$20,000	20.6	N/A	N/A	N/A	N/A	54.7	N/A	N/A	N/A	N/A
\$25,000	14.5	N/A	N/A	N/A	N/A	44.3	N/A	N/A	N/A	N/A
\$35,000	9.1	37.9	91.7	N/A	N/A	32.3	71.9	N/A	N/A	N/A
\$40,000	8.5	29.7	61.8	N/A	N/A	26.0	52.8	N/A	N/A	N/A
\$50,000	14.6	22.1	43.4	78.9	N/A	19.9	36.1	61.8	N/A	N/A
\$60,000	18.8	22.2	43.5	68.0	N/A	15.6	26.9	42.8	66.7	N/A
\$75,000	23.5	27.0	38.8	55.6	98.3	27.5	32.7	41.3	60.4	N/A
\$100,000	25.8	23.7	28.6	35.6	58.4	29.4	34.5	40.6	52.0	88.5
\$125,000	27.1	26.3	26.6	30.2	44.1	30.0	31.8	36.4	40.8	64.8
\$150,000	26.7	27.0	26.8	26.6	33.5	29.8	30.1	30.5	34.4	48.2
\$200,000	29.1	25.1	23.8	23.8	23.8	29.8	30.2	30.7	31.1	34.1
\$500,000	25.5	25.4	25.4	25.4	25.4	26.3	26.3	26.3	26.3	26.3
\$1,000,000	25.4	25.4	25.4	25.4	25.4	25.7	25.7	25.7	25.7	25.7

**Notes:** All figures are preliminary. Baseline is pre-EGTRRA law in 2005. Tax cuts include those in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the Job Creation and Worker Assistance Act of 2002 (JCWA), the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA), and the Working Families Tax Relief Act of 2004 (WFTRA). Tax calculations account for both the regular and alternative minimum tax (AMT).

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3a).

**Key:**

\* Households that did not owe any income tax.

\*\* Households that owed income tax prior to the tax cuts but do not owe any income tax after the tax cuts.

( ) Households that receive a net refund.

■ Households on the AMT.

N/A Households that did not owe any income tax prior to the tax cuts.

**Assumptions:**

(1) Children are under 17 and qualify for the dependency exemption, the earned income tax credit, and the child tax credit.

(2) The number of tax filers line gives the approximate numbers of tax filers in the U.S. population that each column represents.

(3) Households do not claim any other tax credits (such as the child and dependent care tax credit, adoption credit, or education tax credits).

(4) AGI under \$50,000 is assumed to be earned income only. Households with AGI under \$50,000 always take the standard deduction. Above \$50,000 of AGI, household levels of capital gains income, dividend income, itemized deductions, and deductions that count as AMT preferences are averages by income level from the TPC Microsimulation Model.

(5) The amount of IRA and pension contributions is assumed to remain unchanged.

(6) The effects of changes to both the estate and gift tax and bonus depreciation rules are omitted.

(7) The sales tax deduction enacted in the American Jobs Creation Act of 2004 (AJCA) is excluded, but most taxpayers (including, implicitly, the representative taxpayer) deduct income taxes, so that change would not affect these calculations.

(8) The table makes no assumptions about how the tax cuts are to be financed. Future tax increases and/ or benefit cuts could make many of the representative taxpayers worse off.