

**Selected Provisions of Major Tax Legislation by Effective Date 1981 - 2006**

PROVISION	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>Lowest Individual Income Tax Bracket Rate</b>	14% <sup>1</sup>	13.83% <sup>1</sup>	12% <sup>1</sup>	11% <sup>1</sup>								
<b>Lowest Individual Income Single Tax Bracket<sup>2</sup></b>	\$2,300 - \$3,400	\$2,300 - \$3,400				\$2,390 - \$3,540	\$2,480 - \$3,670	\$0 - \$1,800	\$0 - \$21,450	\$0 - \$18,550	\$0 - 19,450	\$0 - \$20,350
<b>Lowest Individual Income Joint Tax Bracket<sup>2</sup></b>	\$3,400 - \$5,500	\$3,400 - \$5,500				\$3,540 - \$5,720	\$3,670 - \$5,940	\$0 - \$3,000	\$0 - \$29,750	\$0 - \$30,950	\$0 - \$32,450	\$0 - \$34,000
<b>Lowest Head of Household Tax Bracket<sup>2</sup></b>	\$2,300 - \$4,400	\$2,300 - \$4,400				\$2,390 - \$4,580	\$2,480 - \$4,750	\$0 - \$2,500	\$0 - \$23,900	\$0 - \$24,850	\$0 - 26,050	\$0 - \$27,300
<b>Other Individual Income Tax Brackets (Percent)<sup>3</sup></b>	16, 18, 21, 24, 28, 32, 37, 43, 49, 54, 59, 64, 68, (from 1978 law)	15.80, 17.775, 20.73, 23.7, 27.65, 31.6, 36.53, 42.46, 48.39, 53.33, 58.26, 63.2, 67.15	14, 16, 19, 22, 25, 29, 33, 39, 44, 49	13, 15, 17, 19, 23, 26, 30, 35, 40, 44, 48	12, 14, 16, 18, 22, 25, 28, 33, 38, 42, 45, 49			15, 28, 35	28, 33		28, 33	28
<b>Highest Individual Income Tax Bracket Rate<sup>3</sup></b>	70%	69.125%	50%	50%	50%			38.50%	28%		31%	31%
<b>Rate on Long-term Capital Gains</b>	40% of individual rate, maximum 28%	40% of individual rate, maximum 20%							Ordinary rates		28% and 15%	
<b>Rate on Dividends</b>	Same as Individual Rates (above)											
<b>Limitations on Itemized Deductions and Personal Exemptions</b>	N.A.										Creates PEP (personal exemption phase-out) and Pease (limitation on itemized deductions) applicable to income between \$150,000 and \$275,000 and indexed for inflation	

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PROVISION	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Child Tax Credit	None											
Child and Dependent Care Tax Credit <sup>4</sup> (non-refundable)	Established in 1976; \$400 for each of first 2 dependents, maximum 20% of expenditures Maximum expenditure eligible for credit is \$2,400 for one child, \$4,800 for 2 or more; maximum credit is 20% to 30% of expenditures											
Standard Deduction and 15 Percent Bracket for Joint Filers	167% single filers											
Earned Income Tax Credit Levels	Refundable credit established in 1975, made a permanent part of the Internal Revenue Code by the Revenue Act of 1978					Increased maximum amount of EITC		Expanded EITC; Level of income at which EITC starts to phase out is indexed for inflation from here forward			Expanded EITC; Adjusted for number of children (one child, two or more children); Phaseout range indexed for inflation	
Earned Income Tax Credit Parameters - Income Phaseout Range	\$6,000 - \$10,000 (beginning in 1979)					\$6,500 - \$11,000		\$6,920 - \$15,432	\$9,840 - \$18,576	\$10,240 - \$19,340	\$10,730 - \$20,264	one child: \$11,250-\$21,250; two children \$11,250-\$21,250, indexed for inflation
AMT Exemption <sup>4</sup>	\$20,000 for joint and single filers (established by Revenue Act of 1978)		\$30,000 for single filers, \$40,000 for joint filers									
Depreciation Deduction of Basis of Qualified Property	No Additional Deduction											
Annual Contribution Limit for IRAs <sup>4</sup>	\$1,500 as established by Employee Retirement Income Security Act of 1974	\$2,000										

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PROVISION	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Annual Contribution Limits for 401(k)	\$30,000 or 25% of compensation, established by Revenue Act of 1978							\$7,000	\$7,313	\$7,627	\$7,979	\$8,475
Saver's Credit	N.A.											
Annual Contribution Limit for Education IRA	N.A.											
Estate and Gift Tax Exemption	\$161,563	\$175,625	\$225,000	\$275,000	\$325,000	\$400,000	\$500,000	\$600,000				
Estate and Gift Tax Top Marginal Rate	Top rate of 70%	Top rate of 50% (statutory)										

Sources: Joint Committee on Taxation, Tax Foundation: Facts & Figures on Government Finance, 38th Edition

KEY	
<i>Italics</i>	Denotes law as of 1980
	Economic Recovery Tax Act of 1981
	Tax Equity and Fiscal Responsibility Act of 1982
	Deficit Reduction Act of 1984
	Tax Reform Act of 1986
	Omnibus Budget Reconciliation Act 1990
	Omnibus Budget Reconciliation Act of 1993
	Taxpayer Relief Act of 1997
	Economic Growth and Tax Relief Act of 2001 (EGTRRA)
	The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA)
	Working Families Tax Relief Act of 2004
	Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)
	Pension Protection Act of 2006
	Tax Increase Prevention Act of 2007
<b>Notes:</b>	
1	0% rate existed below these brackets until 1986
2	Indexing of income brackets for individual income tax began in 1985 under the ERTA of 1981 except for 1987 and 1988 when brackets were not indexed because of rate changes; Changes in bracket amounts for 1985-1986, 1989-2000, and 2004-2010 occurred as a result of indexing for inflation rather than from of a change in tax law
3	For years 1988 - 1990 rate applicable to highest income bracket is not the highest rate, in 1988 and 1989 28% rate is applicable to two income brackets - the highest tax bracket and a lower one
4	Not indexed for inflation
5	Returns to pre-EGTRRA law

PROVISION	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Lowest Individual Income Tax Bracket Rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	10% (rebated via credit)	10%	10%
Lowest Individual Income Single Tax Bracket <sup>2</sup>	\$0 - \$21,450	\$0 - \$22,100	\$0 - \$22,750	\$0 - \$23,350	\$0 - \$24,000	\$0 - \$24,650	\$0 - \$25,350	\$0 - \$25,750	\$0 - \$26,250	\$0 - \$6,000	\$0 - \$6,000	\$0 - \$7,000
Lowest Individual Income Joint Tax Bracket <sup>2</sup>	\$0 - \$35,800	\$0 - \$36,900	\$0 - \$38,000	\$0 - \$39,999	\$0 - \$40,100	\$0 - \$41,200	\$0 - \$42,350	\$0 - \$43,050	\$0 - 43,850	\$0- \$12,000	\$0- \$12,000	\$0 - \$14,000
Lowest Head of Household Tax Bracket <sup>2</sup>	\$0 - \$28, 750	\$0 - \$29,600	\$0 - \$30,500	\$0 - \$ 31,250	\$0 - \$32,150	\$0 - 33,050	\$0 - \$33,950	\$0 - \$34,550	\$0 - 35,150	\$0 - \$10,000	\$0 - \$10,000	\$0 - \$10,000
Other Individual Income Tax Brackets (Percent) <sup>3</sup>	28	28, 31, 36								27.5, 30.5, 35.5	27, 30, 35	25, 28, 33
Highest Individual Income Tax Bracket Rate <sup>3</sup>	31%	39.60%								39.10%	38.60%	35%
Rate on Long-term Capital Gains	28% and 15%					10% for taxpayers in the 15% bracket or below; 20% for others					5% for taxpayers in the 15% bracket; 15% for other brackets (after May 6, 2003)	
Rate on Dividends	Same as Individual Rates (above)											5% for taxpayers in the 15% bracket; 15% for other brackets (after May 6, 2003)
Limitations on Itemized Deductions and Personal Exemptions	PEP and Pease, income levels indexed for inflation	Extends PEP and Pease, income levels indexed for inflation										

PROVISION	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	
Child Tax Credit	None					\$500 (non-refundable)				\$600		\$1,000	
	Refundable up to 10% earned income above \$10,000; threshold indexed after 2001; can be claimed against both regular and alternative minimum tax												
Child and Dependent Care Tax Credit <sup>4</sup> (non-refundable)	Maximum expenditure eligible for credit is \$2,400 for one child, \$4,800 for 2 or more; maximum credit is 20% to 30% of expenditures										Maximum of \$3,000 of eligible expenses for 1 child; \$6,000 for 2 or more; maximum credit of 35% (phasing down to 20% beginning at \$15,000 in adjusted gross income)		
Standard Deduction and 15 Percent Bracket for Joint Filers	167% of single filers										200% of that for single filers		
Earned Income Tax Credit Levels	Expanded EITC; Adjusted for number of children (one child, two or more children); Phaseout range indexed for inflation		Expanded EITC; Additional category for no children; Phaseout range indexed for inflation									Starting point and ending point of phaseout are increased by \$1,000 for joint filers	
Earned Income Tax Credit Parameters - Income Phaseout Range	one child: \$11,840-\$22,370; two children \$11,250-\$21,250	one child: \$12,200-\$23,050; two children: \$12,200-\$23,050	no children: \$5,000-\$9,000; one child: \$11,000-\$23,755; two children: \$11,000-\$25,296	no children: \$5,130-\$9,230; one child: \$11,290-\$24,396; two children: \$11,290-\$26,673	no children: \$5,280-\$9,500; one child: \$11,610-\$25,078; two children: \$11,610-\$28,495	no children: \$5,430-\$9,770; one child: \$11,930-\$25,650; two children: \$11,930-\$29,290	no children: \$5,570-\$10,030; one child: \$12,260-\$26,473; two children: \$12,260-\$30,095	no children: \$5,670-\$10,200; one child: \$12,460-\$26,928; two children: \$12,460-\$30,580	no children: \$5,770-\$10,380; one child: \$12,690-\$27,413; two children: \$12,690-\$31,152	no children: \$5,950-\$10,710; one child: \$13,090-\$28,281; two children: \$13,090-\$32,121	no children: \$6,150-\$11,060; one child: \$13,520-\$29,201; two children: \$13,520-\$33,178	no children: \$6,240-\$11,230; one child: \$13,730-\$29,666; two children: \$13,730-\$33,692	
AMT Exemption <sup>4</sup>	\$30,000 for single filers, \$40,000 for joint filers		\$33,750 for single filers, \$45,000 for joint filers							\$35,750 for single filers; \$49,000 for joint filers		\$40,250 for single filers; \$58,000 for joint filers	
Depreciation Deduction of Basis of Qualified Property	No additional deduction										30% of basis deductible in first year	50% of basis deductible in first year	
Annual Contribution Limit for IRAs <sup>4</sup>	\$2,000										\$2,000 (\$500 catch up over age 50)	\$3,000 (\$500 catch up over age 50)	

PROVISION	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Annual Contribution Limits for 401(k)	\$8,728	\$8,994	\$9,240		\$9,500		\$10,000	\$10,000	\$10,500		\$11,000 (\$1,000 catch up)	\$12,000 (\$2,000 catch up)
Saver's Credit	N.A.										\$2,000 (not indexed for inflation), maximum rate is 50%	
Annual Contribution Limit for Education IRA	N.A.					\$500					\$2,000	
Estate and Gift Tax Exemption	\$600,000						\$625,000	\$650,000	\$675,000		\$1,000,000	
Estate and Gift Tax Top Marginal Rate	Top rate of 50% (statutory)										50%	49%

PROVISION	2004	2005	2006	2007	2008	2009	2010	2011	
Lowest Individual Income Tax Bracket Rate	10%								Sunset <sup>5</sup>
Lowest Individual Income Single Tax Bracket <sup>2</sup>	\$0 - \$7,150	\$0 - \$7,300	\$0 - \$7,550	\$0 - \$7,000 indexed annually					
Lowest Individual Income Joint Tax Bracket <sup>2</sup>	\$0 - \$14,300	\$0 - \$14,600	\$0 - \$15,100	\$0 - \$14,000 indexed annually					
Lowest Head of Household Tax Bracket <sup>2</sup>	\$0 - \$10,200	\$0 - 10,450	\$0 - \$10,750	\$0 - \$10,000 indexed annually					
Other Individual Income Tax Brackets (Percent) <sup>3</sup>	25, 28, 33		25, 28, 33						Sunset <sup>5</sup>
Highest Individual Income Tax Bracket Rate <sup>3</sup>	35%		35%						Sunset <sup>5</sup>
Rate on Long-term Capital Gains	5% for taxpayers in the 15% bracket; 15% for other brackets (after May 6, 2003)			0% for taxpayers in the 10% and 15% bracket; 15% for other brackets		0% for taxpayers in the 10% and 15% bracket, 15% for others		Sunset <sup>5</sup>	
Rate on Dividends	5% for taxpayers in the 15% bracket; 15% for other brackets (after May 6, 2003)			0% for taxpayers in the 10% or 15% bracket; 15% for other brackets		0% for taxpayers in 10% and 15% bracket, 15% for others		Sunset <sup>5</sup>	
Limitations on Itemized Deductions and Personal Exemptions	Extends PEP and Pease, income levels indexed for inflation		Limits on personal exemptions and itemized deductions are reduced by 1/3		Limits reduced by 2/3		No Limits - PEP and Pease are repealed	Sunset <sup>5</sup>	

PROVISION	2004	2005	2006	2007	2008	2009	2010	2011
	\$1,000	\$1,000				\$1,000	\$1,000	Sunset <sup>5</sup>
Child Tax Credit	Refundable up to 15%	Refundable up to 15% of earned income above \$10,000; threshold indexed after 2001						Sunset <sup>5</sup>
Child and Dependent Care Tax Credit <sup>4</sup> (non-refundable)	Maximum of \$3,000 of eligible expenses for 1 child; \$6,000 for 2 or more; maximum credit of 35% (phasing down to 20% beginning at \$15,000 in adjusted gross income)							Sunset <sup>5</sup>
Standard Deduction and 15 Percent Bracket for Joint Filers	200% of that for single filers	200% of that for single filers (until 2008 for 15 percent bracket threshold)				200% of that for single filers		Sunset <sup>5</sup>
Earned Income Tax Credit Levels	Starting point and ending point of phaseout are increased by \$1,000 for joint filers	Phaseout increased by \$2,000 for joint filers			Phaseout increased by \$3,000 for joint filers	Phaseout increased by \$3,000 and indexed for inflation after 2008 for joint filers		Sunset <sup>5</sup>
Earned Income Tax Credit Parameters - Income Phaseout Range	no children: \$6,390-\$11,490; one child: \$14,040-\$30,338; two children: \$14,040-\$34,458	no children: \$6,530-\$11,750; one child: \$14,370-\$31,030; two children: \$14,370-\$35,263	no children: \$6,740-\$12,120; one child: \$14,810-\$32,001; two children: \$14,810-\$36,348	Phaseout range indexed annually for inflation				
AMT Exemption <sup>4</sup>	\$40,250 for single filers; \$58,000 for joint filers	\$40,250 for single filers; \$58,000 for joint filers	\$42,500 for single filers; \$62,550 for married filers	\$44,350 for single filers; \$66,250 joint filers	\$33,750 for single filers, \$45,000 for joint filers			
Depreciation Deduction of Basis of Qualified Property	50% of basis deductible in first year	No additional deduction						
Annual Contribution Limit for IRAs <sup>4</sup>	\$3,000 (\$500 catch up over age 50)	\$4,000 (\$500 catch up)	\$4,000 (\$1,000 catch up)		\$5,000 (\$1,000 catch up) (permanent)			

PROVISION	2004	2005	2006	2007	2008	2009	2010	2011
Annual Contribution Limits for 401(k)	\$13,000 (\$3,000 catch up)	\$14,000 (\$4,000 catch up)	\$15,000 (\$5,000 catch up)	\$15,000 adjusted for inflation (permanent)				
Saver's Credit	\$2,000 (not indexed for inflation), maximum rate is 50%			Permanently extends saver's credit, indexed for inflation				
Annual Contribution Limit for Education IRA	\$2,000 (not indexed for inflation), maximum rate is 50%							Sunset <sup>5</sup>
Estate and Gift Tax Exemption	\$1,500,000		\$2,000,000			\$3,500,000	Estate Tax Repealed	Sunset <sup>5</sup>
Estate and Gift Tax Top Marginal Rate	48%	47%	46%	45%			Estate Tax Repealed	Sunset <sup>5</sup>