

TABLE T03-0202
The 2001 and 2003 Tax Cuts for Representative Families as a Percent
Of After-Tax Income, By Type of Filer for Tax Year 2003

AGI	Single	Head of Household				Married Filing Joint				
# of kids -->	0	1	2	3	6	0	1	2	3	6
# of filers -->	38.1 mil	7.7 mil	4.2 mil	0.9 mil	0.01 mil	23.4 mil	9.6 mil	10.8 mil	4.0 mil	0.07 mil

2001 Tax Cut (EGTRRA)										
\$10,000	1.1%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%
\$15,000	2.2	2.4	2.4	2.4	2.4	0.3	3.5	3.5	3.5	3.5
\$20,000	1.7	2.1	3.6	4.2	4.2	1.6	2.2	5.1	5.1	5.1
\$25,000	1.3	2.4	2.4	4.2	5.1	2.3	2.6	3.5	5.9	5.9
\$35,000	1.0	1.9	2.1	2.3	1.9	1.9	2.1	2.4	2.6	0.2
\$40,000	0.9	1.6	1.9	2.1	3.8	1.7	1.9	2.1	2.3	2.3
\$50,000	0.9	1.3	1.5	1.7	7.8	1.3	1.5	1.7	1.9	2.4
\$60,000	0.9	1.2	1.3	3.2	7.5	1.1	1.3	1.4	1.6	4.5
\$75,000	0.9	1.1	1.3	3.5	6.2	1.0	1.1	1.2	1.4	6.0
\$100,000	0.9	1.0	1.0	1.2	3.3	1.0	1.1	1.1	2.0	5.2
\$125,000	0.9	1.0	1.0	0.5	1.5	1.0	0.9	1.1	1.2	3.6
\$150,000	1.0	0.8	0.4	0.4	0.4	1.0	0.9	0.9	0.9	2.1
\$200,000	1.0	0.3	0.3	0.3	0.3	1.0	0.9	0.9	0.6	0.6
\$500,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
\$1,000,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

2003 Tax Cut (JGTRRA)										
\$10,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$15,000	0.4	0.2	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
\$20,000	0.3	1.9	0.6	0.0	0.0	0.8	2.5	0.0	0.0	0.0
\$25,000	0.2	1.6	2.9	0.8	0.0	0.6	2.2	2.6	0.0	0.0
\$35,000	0.2	1.2	2.4	3.4	0.0	1.0	2.2	3.2	3.8	0.0
\$40,000	0.2	1.1	2.1	3.1	1.4	0.9	1.9	2.9	3.8	0.5
\$50,000	0.7	1.0	1.9	2.6	4.8	0.4	1.2	2.0	2.8	3.9
\$60,000	0.9	1.0	1.6	2.3	5.6	0.3	1.1	1.8	2.4	4.3
\$75,000	1.2	1.3	1.7	2.2	5.3	1.6	1.6	1.6	2.0	3.6
\$100,000	1.5	1.1	1.9	2.6	4.3	2.0	2.4	2.7	3.1	5.5
\$125,000	1.7	1.3	1.3	1.9	3.7	2.1	2.3	2.7	3.0	4.5
\$150,000	1.9	1.4	1.4	1.4	3.2	2.2	2.2	2.1	2.8	4.1
\$200,000	2.3	1.3	1.3	1.3	1.3	2.5	2.4	2.1	2.0	2.9
\$500,000	3.2	2.9	2.9	2.9	2.9	2.3	2.3	2.3	2.3	2.3
\$1,000,000	4.2	4.2	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.3

Combined Tax Cut (EGTRRA plus JGTRRA)										
\$10,000	1.1%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
\$15,000	2.5	2.5	2.3	2.3	2.3	0.9	3.4	3.4	3.4	3.4
\$20,000	1.9	3.9	4.0	4.0	4.0	2.3	4.5	4.8	4.8	4.8
\$25,000	1.5	3.9	5.2	4.8	4.8	2.9	4.6	5.8	5.5	5.5
\$35,000	1.1	3.0	4.3	5.5	1.9	2.8	4.2	5.3	6.1	0.2
\$40,000	1.1	2.7	3.8	4.9	5.0	2.5	3.7	4.8	5.9	2.8
\$50,000	1.5	2.3	3.3	4.2	11.5	1.7	2.7	3.6	4.5	6.0
\$60,000	1.8	2.2	2.8	5.3	11.9	1.4	2.3	3.1	3.9	8.2
\$75,000	2.1	2.4	3.0	5.4	10.6	2.5	2.6	2.7	3.4	8.9
\$100,000	2.4	2.0	2.7	3.8	7.2	2.9	3.3	3.7	4.8	9.9
\$125,000	2.6	2.3	2.2	2.4	5.0	3.0	3.1	3.7	4.1	7.7
\$150,000	2.8	2.2	1.8	1.8	3.5	3.1	3.0	2.9	3.6	5.9
\$200,000	3.2	1.7	1.7	1.7	1.7	3.4	3.3	2.9	2.6	3.4
\$500,000	4.1	3.8	3.8	3.8	3.8	3.2	3.2	3.2	3.2	3.2
\$1,000,000	5.0	4.9	4.9	4.9	4.9	5.0	5.0	5.0	5.0	5.0

Notes: All figures are preliminary. "EGTRRA" is the Economic Growth and Tax Relief Reconciliation Act of 2001 and "JGTRRA" is the Jobs and Growth Tax Relief Reconciliation Act of 2003. Tax calculations account for both the regular and alternative minimum tax (AMT). Households on the alternative minimum tax are indicated in bold face.

Source: Urban-Brookings Tax Policy Center, October 2003.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim any other tax credits (such as the child and dependent care tax credit, adoption credit, or education tax credits).
- (3) Itemized deductions are assumed to be 19 percent of AGI, which was the average ratio for itemizers in 2000 (those filers with itemized deductions below the standard deduction are assumed to take the standard deduction, except in a few instances where itemizing would result in a lower tax liability). For purposes of calculating the AMT, tax preference items such as state and local taxes and miscellaneous deductions are assumed to be 40 percent of total itemized deductions.
- (4) The fraction of AGI composed by capital gains and applicable dividends at each AGI level comes from the Urban-Brookings Tax Policy Center Microsimulation Model. (AGI under \$50,000 is assumed to be earned income only). These fractions are as follows (the first percentage is for capital gains and the second is for dividends): \$50,000: 1.5% and 0.7%; \$60,000: 1.66% and 0.66%; \$75,000: 2.1% and 0.8%; \$100,000: 2.6% and 0.9%; \$125,000: 3.3% and 1.1%; \$150,000: 4.3% and 1.4%; \$200,000: 6.1% and 1.7%; \$500,000: 9.4% and 1.8%; \$1,000,000: 13.0% and 2.2%.
- (5) Note that while the 2003 capital gains tax cut only applies to assets sold after May 6, 2003, for simplicity, the figures above assume all sales in 2003 qualify.
- (6) The amount of IRA and pension contributions is assumed to remain unchanged.
- (7) The effects of changes to both the Estate and Gift Tax and bonus depreciation rules are omitted.