

Table T03-0204
Remove Individual Income Tax Sunsets in EGTRRA, JCWA, and JGTRRA:
Distribution of Individual Income and Payroll Tax Changes by Income Class, 2011¹

Income Class (thousands of 2002\$) ²	Tax Units ³		Percent Change in After-Tax Income due to Income & Payroll Tax Change ³	Percent of Total Income and Payroll Tax Change	Average Inc and Payroll Tax Change (2002\$)	Effective Income and Payroll Tax Rate ⁴		Share of Income and Payroll Tax ⁴		Average Income and Payroll Tax (2002\$) ⁴	
	Number (thousands)	Percent of Total				Pre- EGTRRA	Proposal	Pre- EGTRRA	Proposal	Pre- EGTRRA	Proposal
Less than 10	26,273	16.8	0.1	0.1	-7	1.4	1.3	0.1	0.1	74	67
10-20	28,731	18.3	1.7	3.0	-233	6.7	5.1	1.3	1.1	985	752
20-30	20,554	13.1	2.7	5.0	-555	14.9	12.7	3.6	3.4	3,687	3,132
30-40	15,141	9.7	2.4	4.5	-669	19.1	17.1	4.7	4.8	6,628	5,959
40-50	11,257	7.2	2.4	4.2	-850	20.5	18.6	4.9	4.9	9,192	8,342
50-75	19,056	12.2	2.8	11.1	-1,310	21.7	19.6	12.0	12.1	13,392	12,082
75-100	12,727	8.1	3.7	13.7	-2,430	23.5	20.7	12.2	12.0	20,343	17,913
100-200	16,566	10.6	3.2	23.1	-3,144	25.4	23.0	26.6	27.0	34,105	30,961
200-500	4,412	2.8	2.5	9.9	-5,058	25.9	24.1	15.4	16.1	74,399	69,341
500-1,000	776	0.5	4.2	7.0	-20,322	24.8	21.8	6.2	6.1	168,331	148,009
More than 1,000	388	0.2	5.7	18.4	-107,443	25.6	21.7	13.0	12.3	711,040	603,597
All	156,689	100.0	3.2	100.0	-1,441	22.6	20.2	100.0	100.0	13,561	12,120

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1) and TPC calculations based on CBO and JCT data.

* Updated to correct error in percent change in after-tax income column in version of this table dated November 4, 2003.

(1) Calendar year. Baseline is current law. Includes removing sunsets for the tax provisions in EGTRRA, the Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003 affecting: marginal tax rate reductions; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT exemption; the allowance of personal nonrefundable credits regardless of AMT liability; the personal exemption phaseout (PEP); the limitation on itemized deductions (Pease); the standard deduction, 15-percent bracket, and EITC expansion for married couples; tax rates on long-term capital gains and dividends (15 percent; 0 percent for those in the 10- and 15-percent tax brackets). Excludes pension and IRA provisions; corporate tax provisions, and estate tax provisions.

(2) Income concept is AGI plus the nontaxable portion of social security and pension income; tax-exempt interest; corporate tax liability; and employer share of payroll tax (social security and medicare). Tax units with negative income are excluded from the lowest income class but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(3) After-tax income is income as defined in note (2) less individual income tax net of refundable credits, corporate income tax, payroll tax, and estate tax.

(4) Includes individual income tax (net of refundable credits) plus the employee and employer share of social security and medicare taxes.