

Table T04-0008
Combined Effect of EGTRRA and JGTRRA:
Distribution of Individual Income Tax Change by Cash Income Class, 2004¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³		Percent Change in After-Tax Income ⁴	Percent of Total Income Tax Change	Average Income Tax Change (\$)	Average Income Tax Rate ⁵		
	Number (thousands)	Percent of Total				Percent with Tax Cut	Pre-EGTRRA	Current Law
Less than 10	20,484	14.3	6.2	0.1	0.0	-4	-5.9	-5.9
10-20	26,512	18.5	53.4	1.2	2.5	-174	-3.1	-4.3
20-30	20,361	14.2	79.5	2.2	5.3	-477	2.0	0.1
30-40	15,369	10.7	85.1	2.1	5.2	-621	5.3	3.5
40-50	11,456	8.0	93.4	2.2	5.2	-834	6.9	5.1
50-75	20,001	13.9	98.5	2.4	12.9	-1,181	8.6	6.7
75-100	11,390	7.9	99.1	3.1	13.1	-2,098	10.4	8.0
100-200	13,269	9.2	99.4	3.4	25.1	-3,452	13.4	10.9
200-500	3,332	2.3	99.2	3.0	11.6	-6,382	18.5	16.3
500-1,000	524	0.4	98.7	3.7	5.1	-17,777	21.7	19.1
More than 1,000	254	0.2	98.7	5.2	13.9	-100,009	24.4	20.9
All	143,509	100.0	72.3	2.9	100.0	-1,274	11.5	9.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Includes provisions affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT; the personal exemption phaseout (PEP); the limitation on itemized deductions (Pease); the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions. Excludes education provisions and phaseout of the estate tax.

(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://taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average individual income tax, net of refundable credits, as a percentage of average cash income.