

Table T04-0053
Fully Phased-In "Middle-Class Provisions" in 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 Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Income Tax Cut				Pre-EGTRRA	Proposal
Less than 10	20,428	14.2	5.8	0.1	0.1	-4	3.6	3.5
10-20	26,467	18.4	52.5	1.1	4.4	-155	6.6	5.6
20-30	20,379	14.2	78.7	2.0	9.6	-439	12.8	11.1
30-40	15,377	10.7	84.7	1.9	9.3	-566	16.6	15.0
40-50	11,446	8.0	92.9	1.9	8.8	-722	18.7	17.1
50-75	20,054	14.0	97.8	1.9	19.9	-930	20.6	19.1
75-100	11,395	7.9	98.0	2.3	18.6	-1,528	22.7	20.9
100-200	13,281	9.3	95.0	1.7	24.0	-1,690	25.1	23.8
200-500	3,339	2.3	75.0	0.5	4.1	-1,155	27.6	27.2
500-1,000	527	0.4	82.2	0.3	0.8	-1,404	29.7	29.5
More than 1,000	257	0.2	84.2	0.1	0.4	-1,439	33.8	33.8
All	143,509	100.0	70.6	1.5	100.0	-652	22.6	21.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

(1) Calendar year. Baseline is pre-EGTRRA law. Includes the following provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA): creation of 10-percent bracket for first \$7,000 of taxable income for singles (\$14,000 for married couples filing jointly and \$10,000 for heads of household), indexed for inflation after 2003; \$1,000 child tax credit amount; additional child tax credit with 15-percent refundability rate; allow child credit and EITC regardless of AMT liability; repeal use of modified AGI in calculation of EITC; increase the standard deduction and width of the 15-percent bracket for married couples to twice that for singles; and increase the width of the EITC plateau by \$3,000 for married couples; qualifying long-term capital gains and dividends taxed at 0 / 15 percent rates.

(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://www.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 federal tax (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.