

Table T04-0060
Fully Phased-In "Middle-Class Provisions" in EGTRRA, JGTRRA, and Administration's FY 2005 Budget Proposal:
Distribution of Individual Income Tax Change by Cash Income Class, 2004¹

Cash Income Class ²	Percent of Tax Units with Income Tax Cut	Percent Change in After-Tax Income ³	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁴	
					Pre-EGTRRA	Proposal
Lowest Quintile	13.5	0.2	0.5	-16	3.7	3.5
Second Quintile	66.2	1.9	9.4	-316	9.1	7.5
Middle Quintile	83.6	2.1	17.7	-594	15.9	14.1
Fourth Quintile	96.7	1.9	26.1	-877	20.2	18.7
Top Quintile	93.5	1.3	46.3	-1,558	26.8	25.9
All	70.7	1.5	100.0	-673	22.6	21.4
Addendum						
Top 10 Percent	89.1	0.9	22.6	-1,524	28.2	27.6
Top 5 Percent	82.1	0.5	9.7	-1,303	29.4	29.0
Top 1 Percent	78.9	0.2	2.0	-1,320	31.7	31.5
Top 0.5 Percent	82.8	0.1	1.1	-1,419	32.6	32.5
Top 0.1 Percent	84.3	0.1	0.2	-1,450	34.6	34.6

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

(1) Calendar year. 2010 law applied to 2004 income levels. 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

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.

that are dependents of other taxpayers are excluded from the analysis. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

estate tax.

percentage of average cash income.