

Table T04-0079
Combined Effect of House Bills on Marriage Penalty Reform, AMT Relief, Extension of the 10-Percent
Income Tax Bracket, and Increased and Expanded Child Credit
Distribution of AMT Taxpayers by Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³ Number (Thousands)	AMT Taxpayers ⁴					
		Current Law		Proposal		Change Due to Proposal	
		Thousands	Percent	Thousands	Percent	Thousands	Percent
Less than 10	20,301	**	*	**	*	**	-6.4
10-20	26,357	2	*	2	*	**	-0.2
20-30	20,537	5	*	**	*	-5	-98.4
30-40	15,633	56	0.4	3	*	-53	-94.7
40-50	11,543	107	0.9	8	0.1	-99	-92.1
50-75	20,112	734	3.6	105	0.5	-629	-85.7
75-100	11,773	1,990	16.9	121	1.0	-1,869	-93.9
100-200	14,039	5,533	39.4	886	6.3	-4,647	-84.0
200-500	3,588	2,798	78.0	1,851	51.6	-947	-33.9
500-1,000	593	245	41.3	234	39.4	-11	-4.6
More than 1,000	284	83	29.2	77	27.0	-6	-7.6
All	145,321	11,554	8.0	3,287	2.3	-8,267	-71.5

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

* Less than 0.05 percent. ** Fewer than 500.

(1) Calendar year. Baseline is current law. Provisions include: increasing the standard deduction and the width of the 15 percent bracket for married couples filing a joint return to twice that of singles; increasing AMT exemption to \$58,000 for married couples filing a joint return (\$29,000 for married individuals filing a separate return) and \$40,250 for others, indexed for inflation after 2004; increasing the width of the 10 percent bracket to \$14,000 for married couples filing a joint return (\$7,000 for singles), indexed for inflation after 2003; increasing the child credit to \$1,000; increasing phaseout threshold for child credit to \$125,000 (\$250,000 for married couples filing a joint return).

(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) Includes those with direct AMT liability on Form 6251 and those with lost credits.