

**Table T04-0115**  
**EGTRRA, JCWA, and JGTRRA: Distribution of**  
**Individual Income, Corporate, and Estate Tax Change by Economic Income Percentiles, 2004<sup>1</sup>**

Economic Income Class <sup>2</sup>	Percent of Tax Units with Income Tax Cut	Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate <sup>4</sup>	
					Pre-EGTRRA	Current Law
Lowest Quintile	36.7	1.2	1.3	-98	3.7	2.5
Second Quintile	76.6	2.4	6.6	-475	9.7	7.5
Middle Quintile	90.4	2.4	10.4	-756	15.2	13.2
Fourth Quintile	98.5	2.4	17.0	-1,227	19.2	17.3
Top Quintile	99.7	3.2	64.5	-4,669	23.2	20.8
All	80.4	2.8	100.0	-1,448	20.1	17.9
<b>Addendum</b>						
Top 10 Percent	99.8	3.3	50.0	-7,245	23.8	21.2
Top 5 Percent	99.8	3.5	39.4	-11,395	24.2	21.5
Top 1 Percent	99.8	3.8	23.4	-33,864	25.2	22.3
Top 0.5 Percent	99.7	4.0	19.2	-55,596	25.6	22.5
Top 0.1 Percent	99.7	4.1	11.8	-170,459	24.7	21.6

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

(1) Calendar year. Baseline is pre-EGTRRA law. Includes provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the Job Creation and Worker Assistance Act of 2002 (JCWA), and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT; the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions; bonus depreciation; and estate tax exemption, rates, and state death tax credit. Excludes education provisions.

(2) Tax units with negative economic income are excluded from the lowest quintile 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. For classifier purposes, economic income has been adjusted for family size by dividing by the square root of the number of members of the tax unit. For a description of economic income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

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

(4) 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 economic income.