

Jobs and Growth Tax Relief Reconciliation Act of 2003¹
(Relative to Major Individual Income Tax Provisions in Effect in 2003)

(2000 Income Levels)

Cash Income Class ²	Distribution of Changes in Individual Income Taxes (%)	Distribution of Total Individual Income Taxes ³		Average Individual Income Taxes With Act (\$)	Percent Change in Individual Income Taxes (%)
		2003 Law (%)	With Act ⁴ (%)		
0 - 30	2.5	-2.0	-2.6	-411	-15.5
30 - 40	3.3	2.1	1.9	1,012	-19.3
40 - 50	4.3	3.7	3.6	2,257	-14.0
50 - 75	10.8	11.6	11.7	4,313	-11.1
75 - 100	12.9	12.1	12.0	7,582	-12.7
100 - 200	25.5	27.6	27.9	15,902	-11.0
200 & over	40.5	44.8	45.4	99,472	-10.8
Total ⁵	100.0	100.0	100.0	6,127	-11.9

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¹ The provisions of the Act included are: i) accelerate to 2003 the reductions in income tax rates above 15% scheduled for 2004 and 2006; ii) accelerate to 2003 the increase in the width of the 10% bracket for single and joint filers scheduled for 2008; iii) accelerate to 2003 the increase in the standard deduction and the width of the 15% bracket for joint filers scheduled to phase in between 2005 and 2009; iv) accelerate to 2003 the increase in the child credit from \$600 to \$1,000 scheduled to phase in between 2005 and 2010; v) an increase in the AMT exemption amounts; and vi) a reduction in the tax rates on dividends and capital gains to 5% (for taxpayers in the 10% and 15% ordinary income tax brackets) and to 15% (for taxpayers in higher ordinary income tax brackets).

² Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash transfers from the government, and retirement benefits. Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Cash income is shown on a family rather than on a tax return basis. The cash incomes of all members of a family are added to arrive at a family's cash income used in the distributions.

³ The refundable portions of the earned income tax credit (EITC) and the child credit are included in the individual income tax. Individual income taxes are estimated at 2000 income levels under 2003 law as if it were fully phased in law, so exclude provisions that expire prior to the end of the Budget period (ignoring the sunset of EGTRRA in 2011) and are adjusted for the effects of unindexed parameters.

⁴ The change in individual income taxes under the Act is estimated at 2000 income levels as if the change represented fully phased in law (ignoring the sunset of EGTRRA in 2011).

⁵ Families with negative incomes are excluded from the lowest income class but included in the total line.