

**COMPARISON OF FEDERAL TAX LIABILITIES UNDER PRESENT LAW  
AND UNDER THE CHAIRMAN'S MARK OF  
THE "MARRIAGE TAX RELIEF ACT OF 2000,"  
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON MARCH 30, 2000,  
FOR HYPOTHETICAL MARRIED COUPLES**

Prepared by the Staff

of the

JOINT COMMITTEE ON TAXATION



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Calendar Year 2001

Annual Income (Wages Only)	Income Taxes Under Present Law	Income Taxes Under Marriage Tax Penalty Relief Act of 2000	Change in Income Taxes	Percentage Reduction in Income Taxes
\$20,000 .....	-\$2,518	-\$2,939	-\$421 *	16.7% *
30,000 .....	215	-423	-638	297.0%
50,000 .....	3,628	3,410	-218	6.0%
75,000 .....	8,795	8,389	-406	4.6%
100,000 .....	15,795	15,389	-406	2.6%
200,000 .....	47,807	47,285	-522	1.1%

Joint Committee on Taxation  
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NOTE: This table shows the effect of the "Marriage Tax Penalty Relief Act of 2000" in 2001. The elements of the proposal that are in effect in 2001 are: (1) the doubling of the standard deduction for married couples filing a joint return to twice that for single filers; and (2) the increase of \$2,000 in the beginning point of the phaseout of the earned income credit ("EIC") for married couples filing a joint return. Each child is assumed to be eligible for the child credit, subject to income limitations. All income is assumed to be wage income, and taxpayers are assumed to take the standard deduction. For taxpayers that itemize their deductions, the reduction in taxes would be less than shown here.

\* Denotes increase in refundable portion of the EIC.

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**Calendar Year 2001**

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\$20,000 .....	\$998	\$780	-\$218	21.8%
30,000 .....	2,498	2,280	-218	8.7%
50,000 .....	5,498	5,280	-218	4.0%
75,000 .....	11,419	11,013	-406	3.6%
100,000 .....	18,419	18,013	-406	2.2%
200,000 .....	49,853	49,331	-522	1.0%

Joint Committee on Taxation  
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Calendar Year 2005

Annual Income (Wages Only)	Income Taxes Under Present Law	Income Taxes Under Marriage Tax Penalty Relief Act of 2000	Change in Income Taxes	Percentage Reduction in Income Taxes
\$20,000 .....	-\$3,206	-\$3,669	-\$463 *	14.4% *
30,000 .....	-765	-1,483	-718 *	93.9% *
50,000 .....	3,335	3,080	-255	7.6%
75,000 .....	7,800	6,830	-970	12.4%
100,000 .....	14,651	13,518	-1,133	7.7%
200,000 .....	45,424	44,240	-1,184	2.6%

Joint Committee on Taxation  
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NOTE: This table shows the effect of the "Marriage Tax Penalty Relief Act of 2000" in 2005. The elements of the proposal that are in effect in 2005 are: (1) the doubling of the standard deduction for married couples filing a joint return to twice that for single filers; (2) the partial phasein of the expansion of the size of the 15-percent regular income tax bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual; (3) the increase of \$2,000 in the beginning point of the phaseout of the earned income credit ("EIC") for married couples filing a joint return; and (4) the permanent extension of the allowance of personal credits against the regular tax and the minimum tax. Each child is assumed to be eligible for the child credit, subject to income and alternative minimum tax credit limitations. All income is assumed to be wage income, and taxpayers are assumed to take the standard deduction. For taxpayers that itemize their deductions, the reduction in taxes would be less than shown here.

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\$20,000 .....	\$795	\$540	-\$255	32.1%
30,000 .....	2,295	2,040	-255	11.1%
50,000 .....	5,295	5,040	-255	4.8%
75,000 .....	10,443	9,310	-1,133	10.8%
100,000 .....	17,443	16,310	-1,133	6.5%
200,000 .....	47,545	46,277	-1,268	2.7%

Joint Committee on Taxation  
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