

**COMPARISON OF FEDERAL TAX LIABILITIES UNDER PRESENT LAW AND
UNDER THE CONFERENCE AGREEMENT FOR H.R. 4810,
THE “MARRIAGE TAX RELIEF RECONCILIATION ACT OF 2000,”
FOR HYPOTHETICAL MARRIED COUPLES**

Prepared by the Staff

of the

JOINT COMMITTEE ON TAXATION



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**COMPARISON OF FEDERAL TAX LIABILITIES UNDER PRESENT LAW AND
UNDER THE CONFERENCE AGREEMENT FOR H.R. 4810,
THE "MARRIAGE TAX RELIEF RECONCILIATION ACT OF 2000,"
FOR HYPOTHETICAL MARRIED COUPLES WITH TWO CHILDREN**

Calendar Year 2004

Annual Income (Wages Only)	Income Taxes Under Present Law	Income Taxes Under Conference Agreement for H.R. 4810	Change in Income Taxes	Percentage Reduction in Income Taxes
\$20,000	-\$3,024	-\$3,490	-\$466 *	15.4% *
30,000	-493	-1,199	-706 *	143.2% *
50,000	3,425	3,185	-240	7.0%
75,000	7,975	6,935	-1,040	13.0%
100,000	14,975	13,285	-1,690	11.3%
200,000	45,924	44,117	-1,807	3.9%

Joint Committee on Taxation

NOTE: This table shows the effect of the "Marriage Tax Relief Reconciliation Act of 2000" in 2004. The elements of the proposal that are in effect in 2004 are: (1) the doubling of the standard deduction for married couples filing a joint return to twice that for single filers; (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; (3) the increase in the size of the 15-percent regular income tax bracket for a married couple to twice the size of the corresponding rate bracket for a single individual and (4) the permanent extension of the allowance of personal credits against the regular tax and the alternative minimum tax. 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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FOR HYPOTHETICAL MARRIED COUPLES WITH NO CHILDREN**

Calendar Year 2004

Annual Income (Wages Only)	Income Taxes Under Present Law	Income Taxes Under Conference Agreement for H.R. 4810	Change in Income Taxes	Percentage Reduction in Income Taxes
\$20,000	\$855	\$615	-\$240	28.1%
30,000	2,355	2,115	-240	10.2%
50,000	5,355	5,115	-240	4.5%
75,000	10,711	9,021	-1,690	15.8%
100,000	17,711	16,021	-1,690	9.5%
200,000	48,156	46,339	-1,817	3.8%

Joint Committee on Taxation

NOTE: This table shows the effect of the "Marriage Tax Relief Reconciliation Act of 2000" in 2004. The elements of the proposal that are in effect in 2004 are: (1) the doubling of the standard deduction for married couples filing a joint return to twice that for single filers; (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; (3) the increase in the size of the 15-percent regular income tax bracket for a married couple to twice the size of the corresponding rate bracket for a single individual and (4) the permanent extension of the allowance of personal credits against the regular tax and the alternative minimum tax. 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.