

**COMPARISON OF FEDERAL TAX LIABILITIES UNDER PRESENT LAW
AND UNDER THE CHAIRMAN'S MODIFIED AMENDMENT
IN THE NATURE OF A SUBSTITUTE RELATING TO
THE "MARRIAGE TAX PENALTY RELIEF ACT OF 2000"
FOR HYPOTHETICAL MARRIED COUPLES**

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of the

JOINT COMMITTEE ON TAXATION



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 FOR HYPOTHETICAL MARRIED COUPLES WITH TWO CHILDREN**

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

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 lower 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

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\$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	7,651	6,830	-821	10.7%
100,000	14,651	13,544	-1,107	7.6%
200,000	45,424	44,266	-1,158	2.5%

Joint Committee on Taxation

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; and (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. 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 lower than shown here.

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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	\$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	9,336	-1,107	10.6%
100,000	17,443	16,336	-1,107	6.3%
200,000	47,545	46,303	-1,242	2.6%

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