DISTRIBUTIONAL EFFECTS
OF CERTAIN TAX PROVISIONS
OF H.R. 3 AS PASSED BY THE HOUSE

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

May 18, 1990
JCX-14-90

PRELIMINARY

DISTRIBUTIONAL IMPACT OF CERTAIN PROVISIONS OF TITLE III OF H.R. 3 AS PASSED BY THE HOUSE

Calendar Year 1990

INCOME CLASS[1]	Tax Decrease			Tax Increase[2]		
	Returns (Thousands)	Amount (Millions)	Average (Dollars)	Returns (Thousands)	Amount (Millions)	Average (Dollars)
Less than $10,000.....	2,111	$-845	$-400			
10,000 - 20,000.....	6,023	-2,361	-392			
20,000 - 30,000.....	2,073	-382	-181			
30,000 - 40,000.....	139	-34	-246	--	--	
40,000 - 50,000.....	15	-3	-209	--	--	
50,000 - 75,000.....	18	-5	-293	94	$ 4	$ 43
75,000 - 100,000.....	--	--	--	385	85	220
100,000 - 200,000.....	--	--	--	237	103	437
200,000 and Over.....	--	--	--	43	23	537
TOTALS.....	**10,379**	**$-3,630**	**$-351**	**759**	**$215**	**$284**

Joint Committee on Taxation
May 18, 1990

NOTES: Distributional impact is presented at 1990 income levels, as if provision was fully effective for that year. Details may not add to totals due to rounding.

1 The income concept used to place tax returns into classes is adjusted gross income (AGI) plus: (1) tax exempt interest; (2) employer contributions for health plans and life insurance; (3) inside buildup on life insurance; (4) worker's compensation; (5) nontaxable social security benefits; (6) deductible contributions to individual retirement accounts; (7) the minimum tax preferences; and (8) net losses, in excess of minimum tax preference, from passive business activities.

2 Tax increase figures reflect only the phaseout of the dependent care tax credit for higher income taxpayers.

PRELIMINARY

DISTRIBUTIONAL IMPACT OF THE PHASEOUT OF THE DEPENDENT CARE TAX CREDIT FOR HIGHER INCOME TAXPAYERS CONTAINED IN H.R. 3 AS PASSED BY THE HOUSE

Calendar Year 1990

INCOME CLASS[1]	Returns (Thousands)	Amount (Millions)	Average (Dollars)
Less than $10,000.....	--	--	--
10,000 - 20,000.....	--	--	--
20,000 - 30,000.....	--	--	--
30,000 - 40,000.....	--	--	--
40,000 - 50,000.....	--	--	--
50,000 - 75,000.....	94	4	43
75,000 - 100,000.....	385	85	220
100,000 - 200,000.....	237	103	437
200,000 and Over.....	43	23	537
TOTALS.....	759	$215	$284

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NOTES: Distributional impact is presented at 1990 income levels, as if provision was fully effective for that year. Details may not add to totals due to rounding.

[1] The income concept used to place tax returns into classes is adjusted gross income (AGI) plus: (1) tax-exempt interest; (2) employer contributions for health plans and life insurance; (3) inside buildup on life insurance; (4) worker's compensation; (5) nontaxable social security benefits; (6) deductible contributions to individual retirement accounts; (7) the minimum tax preferences; and (8) net losses, in excess of minimum tax preference, from passive business activities.