

Effects of House Democratic 2000 Alternative Tax Plan

(Annual effects at 1999 income levels, \$-billions except averages)

Income Group	Income Range	Average Income	Std. Ded. & Dep. Care Credit	Earned-Income Tax Credit	Long-term Care (very, very rough)	RSAs (very rough)	Estate Tax Cuts	Business Tax Breaks	Total Tax Cuts	Average Tax Cuts	% of Total Tax Cut
Lowest 20%	Less than \$13,600	\$ 8,600	\$ -0.6	\$ -0.2	\$ -0.0	\$ -0.9	\$ -0.0	\$ -0.1	\$ -1.8	\$ -70	4.8%
Second 20%	\$13,600-24,400	18,800	-1.0	-1.5	-0.1	-2.7	-0.0	-0.3	-5.6	-221	15.3%
Middle 20%	\$24,400-39,300	31,100	-2.0	-1.7	-0.4	-1.9	-0.0	-0.6	-6.7	-263	18.2%
Fourth 20%	\$39,300-64,900	50,700	-2.5	-0.1	-1.2	-0.4	-0.0	-1.1	-5.3	-208	14.4%
Next 15%	\$64,900-130,000	86,800	-1.4	—	-1.1	—	-0.0	-1.6	-4.1	-217	11.3%
Next 4%	\$130,000-319,000	183,000	-0.1	—	—	—	-0.6	-1.8	-2.5	-500	6.9%
Top 1%	\$319,000 or more	915,000	-0.0	—	—	—	-5.5	-5.0	-10.6	-8,397	29.0%
ALL		\$ 50,800	\$ -7.7	\$ -3.4	\$ -2.8	\$ -5.9	\$ -6.2	\$ -10.6	\$ -36.6	\$ -287	100.0%
ADDENDUM						—					
Bottom 60%	Less than \$39,300	\$ 19,500	\$ -3.6	\$ -3.3	\$ -0.5	\$ -5.5	\$ -0.0	\$ -1.1	\$ -14.0	\$ -184	38.3%
Top 10%	\$92,500 or more	218,000	-0.4	—	-0.2	—	-6.2	-7.6	-14.4	-1,137	39.4%

Source: Institute on Taxation and Economic Policy Tax Model.

Citizens for Tax Justice, July 2000. VERY PRELIMINARY