

Effects of Congress's Passed & Pending Tax Bills in 2000 So Far

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

Income Group	Income Range	Average Income	Marriage Penalty	Estate Tax Repeal	Retirement Savings Tax Breaks	Rest of Minimum Wage Bill	3% Telephone Tax Repeal	Taxation of Social Security	Health & Long-Term Care Insur.	Total Tax Cuts	Average Tax Cuts	% of Total Tax Cut
Lowest 20%	Less than \$13,600	\$ 8,600	\$ -0.1	\$ -0.0	\$ -0.0	\$ -0.0	\$ -0.5	\$ —	\$ -0.4	\$ -0.9	\$ -37	1.2%
Second 20%	\$13,600–24,400	18,800	-1.0	-0.0	-0.0	-0.1	-0.8	—	-1.0	-2.9	-116	3.6%
Middle 20%	\$24,400–39,300	31,100	-1.8	-0.0	-0.2	-0.2	-1.0	-0.0	-1.7	-4.9	-193	6.0%
Fourth 20%	\$39,300–64,900	50,700	-2.7	-0.0	-0.9	-0.3	-1.3	-1.2	-1.9	-8.2	-323	10.1%
Next 15%	\$64,900–130,000	86,800	-14.3	-0.0	-1.6	-0.4	-1.1	-3.9	-2.2	-23.5	-1,238	29.0%
Next 4%	\$130,000–319,000	183,000	-4.3	-2.5	-1.0	-0.5	-0.4	-1.5	-0.9	-11.1	-2,186	13.7%
Top 1%	\$319,000 or more	915,000	-1.0	-25.2	-0.9	-1.4	-0.3	-0.5	-0.3	-29.5	-23,331	36.4%
ALL		\$ 50,800	\$ -25.2	\$ -27.7	\$ -4.5	\$ -2.8	\$ -5.3	\$ -7.1	\$ -8.4	\$ -81.0	\$ -635	100.0%
ADDENDUM												
Bottom 60%	Less than \$39,300	\$ 19,500	\$ -2.9	\$ -0.0	\$ -0.2	\$ -0.3	\$ -2.3	\$ -0.0	\$ -3.1	\$ -8.8	\$ -115	10.8%
Top 10%	\$92,500 or more	218,000	-11.1	-27.7	-2.7	-2.0	-1.0	-3.4	-2.1	-50.1	-3,954	61.8%

Figures includes the House and Senate-passed marriage penalty reduction bill, the House and Senate-passed estate tax repeal, the pending "Comprehensive Retirement Security and Pension Reform Act," the tax cuts in the House-passed minimum wage bill not included in the previously mentioned bills, the repeal of the 3% federal telephone tax, the pending reduction in income taxes on Social Security benefits for better-off retirees (the top 23% of those with Social Security benefits), and the House-passed deductions for health and long-term care insurance. All provisions are shown fully effective at 1999 income levels.

Source: Institute on Taxation and Economic Policy Tax Model.

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