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CONTACT: Bob McIntyre

Most Taxpayers Get Little Help From Latest Bush Tax Plan Typical tax cut is about \$120 in 2003-04, then drops to zero thereafter

Despite misleading presidential rhetoric, almost half of all American taxpayers will get less than \$100 this year and next from President Bush's just-passed tax plan. In 2005, three-quarters of taxpayers will get less than \$100, and in 2006 and later years almost nine out of ten will get less than \$100.

A state-by-state analysis of the effects of the tax bill over the next four years by the Institute on Taxation and Economic Policy finds:

- In 2003, 49 percent of taxpayers will get \$100 or less from the tax bill. For these 65.7 million unlucky taxpayers, the average tax reduction will be only \$19.
- In 2004, 47 percent of taxpayers will get \$100 or less. The average tax cut for these 63.4 million taxpayers will be \$19.
- In 2005, 74 percent of taxpayers will get \$100 or less from the President's plan. The average tax reduction for these 97.9 million taxpayers will be \$5.
- In 2006, 88 percent of taxpayers will get \$100 or less from the tax bill. For these 118 million taxpayers, the average tax reduction will be \$4.

"The President has given numerous speeches implying that most people stand to gain \$1,000 or more from his latest tax bill, but that's not true," said Robert S. McIntyre, director of Citizens for Tax Justice. "In fact, over the next two years, the median tax reduction will be only about \$120. After 2004, the median tax cut drops to zero."

The median tax cut means that half of the taxpayers get less than that amount, and the other half get more. After 2004, when the tax bill's modest middle-income relief expires, most taxpayers will get no tax reduction at all. The tax reductions for the wealthy, however, in the form of lower taxes on dividends and capital gains, along with cuts in the upper tax rates, continue after 2004.

Effects of the 2003 Income Tax Cuts by Family Type, in 2003

	Total number (000)	% of total number	Number with <\$100 tax cut	% with <\$100	Median tax cut all
Single, no kids	56,389	42%	43,469	77%	\$50
Single parents	17,176	13%	8,926	52%	5
Married, no kids	30,623	23%	8,933	29%	332
Married parents	29,373	22%	4,385	15%	958
All tax units	133,560	100%	65,712	49%	\$121

A table detailing state-by-state figures for the number of taxpayers getting \$100 or less annually from the new tax plan in the next four years is on the following page.

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Taxpayers getting \$100 or less from the Bush 2003 Tax Cut Program, 2003-2006

State	<\$100 in 2003		<\$100 in 2004		<\$100 in 2005		<\$100 in 2006	
	#-000	% of TPs	#-000	% of TPs	#-000	% of TPs	#-000	% of TPs
All States	65,712	49%	63,391	48%	97,867	74%	118,017	88%
Alabama	1,136	57%	1,078	54%	1,698	84%	1,899	93%
Alaska	122	43%	122	43%	183	63%	241	82%
Arizona	1,118	50%	1,106	48%	1,768	76%	2,054	87%
Arkansas	661	55%	644	53%	1,035	84%	1,142	92%
California	7,234	49%	7,193	48%	10,632	70%	13,447	87%
Colorado	1,039	48%	1,032	46%	1,586	71%	1,904	84%
Connecticut	632	39%	608	38%	999	61%	1,343	82%
Delaware	189	49%	190	48%	283	72%	349	87%
Dist. of Col.	132	50%	132	50%	181	68%	234	87%
Florida	4,164	52%	4,135	51%	6,203	76%	7,150	87%
Georgia	2,037	53%	2,017	52%	3,069	78%	3,585	90%
Hawaii	276	48%	266	47%	429	74%	510	88%
Idaho	313	53%	300	50%	471	78%	537	88%
Illinois	2,629	46%	2,575	45%	4,029	70%	5,029	86%
Indiana	1,318	48%	1,283	46%	2,126	75%	2,538	89%
Iowa	686	51%	667	49%	1,047	76%	1,208	87%
Kansas	577	48%	559	46%	916	75%	1,092	88%
Kentucky	1,028	55%	993	53%	1,541	81%	1,747	91%
Louisiana	1,091	56%	1,085	56%	1,587	81%	1,822	92%
Maine	320	52%	313	50%	487	78%	553	87%
Maryland	1,136	45%	1,088	43%	1,719	67%	2,254	86%
Massachusetts	1,342	44%	1,333	43%	2,016	65%	2,710	86%
Michigan	2,184	48%	2,121	46%	3,363	72%	4,117	88%
Minnesota	1,049	45%	1,043	44%	1,640	69%	2,052	85%
Mississippi	748	59%	728	57%	1,097	85%	1,211	93%
Missouri	1,307	50%	1,274	49%	2,041	77%	2,375	89%
Montana	216	53%	209	51%	325	78%	359	85%
Nebraska	371	47%	365	46%	596	75%	703	87%
Nevada	487	48%	490	46%	814	76%	970	90%
New Hampshire	248	41%	241	40%	396	65%	519	84%
New Jersey	1,677	42%	1,670	42%	2,488	62%	3,413	84%
New Mexico	367	54%	362	53%	551	79%	634	90%
New York	4,596	52%	4,501	50%	6,367	71%	7,880	87%
North Carolina	2,030	52%	1,959	50%	3,177	80%	3,604	90%
North Dakota	139	49%	139	49%	223	78%	251	87%
Ohio	2,635	48%	2,586	47%	4,200	75%	5,004	89%
Oklahoma	795	54%	767	52%	1,232	82%	1,400	93%
Oregon	845	51%	822	49%	1,273	76%	1,458	86%
Pennsylvania	2,875	50%	2,799	48%	4,249	73%	5,113	86%
Rhode Island	256	50%	254	49%	375	72%	464	88%
South Carolina	1,036	55%	1,004	53%	1,594	83%	1,774	92%
South Dakota	167	50%	168	50%	268	79%	302	87%
Tennessee	1,408	53%	1,403	52%	2,242	82%	2,548	92%
Texas	4,585	50%	4,603	49%	7,154	76%	8,646	91%
Utah	458	50%	437	47%	753	79%	869	91%
Vermont	123	43%	120	42%	209	72%	253	86%
Virginia	1,672	49%	1,628	47%	2,504	72%	3,079	88%
Washington	1,282	46%	1,268	45%	2,019	70%	2,472	85%
West Virginia	459	56%	450	55%	690	83%	770	92%
Wisconsin	1,202	48%	1,168	46%	1,868	73%	2,242	87%
Wyoming	95	43%	94	42%	153	68%	187	82%

Note: For taxpayers getting \$100 or less, the tax cuts average \$19 in 2003, \$19 in 2004, \$5 in 2005 and \$4 in 2006.

Source: Institute on Taxation and Economic Policy Tax Model, May 30, 2003.