



Quick Tax Facts—2003 Tax Act Changes in Context

10-Year Tax Forecast

The chart below provides important amounts and percentages for 2002 through 2011. Changes made by the Jobs and Growth Tax Relief Reconciliation Act of 2003 are indicated in the shaded portion of the chart. Additional limitations, inflation adjustments, effective dates and transitional rules may apply. See the Explanations in CCH's *2003 Tax Legislation: Law, Explanation and Analysis* or *2003 Tax Legislation: Explanation and Analysis* for complete discussions of the changes.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
CAPITAL GAINS										
Capital gains rate	20%	15%*	15%	15%	15%	15%	15%	20%	20%	20%
Capital gains rate for taxpayers in 10% or 15% bracket	10%	5%*	5%	5%	5%	5%	0%	10%	10%	10%
DIVIDENDS										
Dividends rate (taxed as capital gains)	Did not apply	15%	15%	15%	15%	15%	15%	Will not apply	Will not apply	Will not apply
Dividends rate for taxpayers in 10% or 15% bracket (taxed as capital gains)	Did not apply	5%	5%	5%	5%	5%	0%	Will not apply	Will not apply	Will not apply
INCOME TAX RATE REDUCTIONS										
Top bracket	38.6%	35%	35%	35%	35%	35%	35%	35%	35%	39.6%
Fifth bracket	35%	33%	33%	33%	33%	33%	33%	33%	33%	36%
Fourth bracket	30%	28%	28%	28%	28%	28%	28%	28%	28%	31%
Third bracket	27%	25%	25%	25%	25%	25%	25%	25%	25%	28%
Second bracket	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Initial bracket	10%	10%	10%	10%	10%	10%	10%	10%	10%	No 10% bracket

*post-5/5/03



10-Year Tax Forecast

EXPANSION OF 10% BRACKET

Taxable income limit—joint filers
Taxable income limit—single filers

MARRIAGE PENALTY RELIEF

Basic standard deduction
for joint filers—Percentage
of single filer amount
15% bracket size for
joint filers—Percentage of
15% bracket size for single filers

CHILD TAX CREDIT

Amount per child

AMT EXEMPTION

Joint filers
Single filers

CODE SEC. 179 EXPENSING

Deduction amount
Investment limitation
(on cost of property)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxable income limit—joint filers	\$12,000	\$14,000	\$14,000	\$12,000	\$12,000	\$12,000	\$14,000	\$14,000	\$14,000	No 10% bracket
Taxable income limit—single filers	\$6,000	\$7,000	\$7,000	\$6,000	\$6,000	\$6,000	\$7,000	\$7,000	\$7,000	No 10% bracket
Basic standard deduction for joint filers—Percentage of single filer amount	Did not apply	200%	200%	174%	184%	187%	190%	200%	200%	Will not apply
15% bracket size for joint filers—Percentage of 15% bracket size for single filers	Did not apply	200%	200%	180%	187%	193%	200%	200%	200%	Will not apply
Amount per child	\$600	\$1,000	\$1,000	\$700	\$700	\$700	\$700	\$800	\$1,000	\$500
Joint filers	\$49,000	\$58,000	\$58,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Single filers	\$35,750	\$40,250	\$40,250	\$33,750	\$33,750	\$33,750	\$33,750	\$33,750	\$33,750	\$33,750
Deduction amount	\$24,000	\$100,000	\$100,000	\$100,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Investment limitation (on cost of property)	\$200,000	\$400,000	\$400,000	\$400,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000