



Don Nickles, Chairman  
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## NICKLES AMENDMENT SUMMARY

### Dividend Provision

Net change: \$43 billion

*In Tax Year 2003:* 50 percent of dividend payments to individuals would be tax free

*In Tax Years 2004-2006:* 100 percent of dividend payments to individuals would be tax free

The provision sunsets January 1, 2007.

NOTE: The Nickles amendment provides a straight exclusion at the individual level for all dividends paid, both by foreign and domestic corporations.

Total cost of dividend provision in the current bill: \$81 billion

Total cost of Nickles amendment over 10 years: \$124 billion

### Small Business Expensing Provisions

Net change: \$20.3 billion

Current Law: Businesses investing \$200,000 or less annually on equipment, computers etc. are eligible to expense up to \$25,000 of those expenditures.

Senate Bill: Businesses investing \$325,000 or less annually would be eligible to expense up to \$75,000 of those expenditures effective for the tax years 2003-2012.

House Bill and Nickles Amendment: Businesses investing \$400,000 or less annually would be eligible to expense up to \$100,000 of those expenditures effective for the tax years 2003-2007.

### Marriage Penalty Provisions

Net change: \$23 billion

	Standard Deduction		15% Bracket	
	Current Law	Amendment	Current Law	Amendment
03		195		195
04		200		200
05	174	174	180	180
06	184	184	187	187
07	187	187	193	193
08	190	190	200	200
09	200	200	200	200
10	200	200	200	200