

## TAX REFUND IN 2003 FOR A FAMILY OF FOUR WITH TWO MINIMUM WAGE WORKERS

### **BEFORE 2001 & 2003 BUSH TAX CUTS**

Wages	21,000
Personal exemptions	(12,200)
<u>Standard deduction</u>	<u>(7,950)</u>
<b>TAXABLE INCOME</b>	<b>850</b>
<u>Tax rate</u>	<u>15%</u>
INCOME TAX BEFORE CREDITS	(128)
Earned income credit	2,888
<u>Refundable child tax credit</u>	<u>0</u>
<b>NET INCOME TAX REFUND</b>	<b>2,761</b>
Payroll taxes	(1,607)
<b>NET REFUND IN EXCESS OF ALL TAXES</b>	<b>1,154</b>

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### **AFTER 2001 & 2003 BUSH TAX CUTS**

Wages	21,000
Personal exemptions	(12,200)
<u>Standard deduction</u>	<u>(9,500)</u>
<b>TAXABLE INCOME</b>	<b>0</b>
<u>Tax rate</u>	<u>10%</u>
INCOME TAX BEFORE CREDITS	0
Earned income credit	2,888
<u>Refundable child tax credit</u>	<u>1,050</u>
<b>NET INCOME TAX REFUND</b>	<b>3,938</b>
Payroll taxes	(1,607)
<b>NET REFUND IN EXCESS OF ALL TAXES</b>	<b>2,332</b>
 <b>INCREASE IN REFUND</b>	 <b>102%</b>