

TABLE 6. THE TAXABLE EARNINGS MAXIMUM AND THE PERCENTAGE OF COVERED WORKERS WITH ENTIRE EARNINGS BELOW THE MAXIMUM, 1937-1982 a/

Year	Taxable Maximum	Percentage Below Maximum	Workers at or Above Maximum (millions)
1937	3,000	96.9	1.0
1940	3,000	96.6	1.2
1945	3,000	86.3	6.4
1950	3,000	71.1	14.0
1955	4,200	74.4	16.7
1960	4,800	72.0	20.3
1965	4,800	63.9	29.1
1970	7,800	74.0	24.2
1975	14,000	84.9	15.2
1977	16,500	86.0	14.9
1978	17,700	85.0	16.5
As legislated by P. L. 95-216			
1979	22,900	91.0	10.2
1980	25,900	92.0	9.3
1981	29,700	94.0	7.1
1982	32,100	94.0	7.2

SOURCE: Social Security Bulletin, Annual Statistical Supplement, 1975, Table 39, p. 72; Table 40, p. 73; and, Social Security Administration estimates.

a/ Workers with total annual earnings below the maximum amount annually taxable. Beginning in 1951, includes self-employed.

TABLE 7. INCOME TAX AND OASDHI ESTIMATED TAX PAYMENTS AS A PERCENT OF TOTAL FAMILY INCOME a/

Family Income (1978 dollars)	Individual Income Tax	OASDHI Tax, Employee's Share	Sum of Income & OASDHI Taxes
1,000-2,999	0.1	1.8	1.9
3,000-4,999	0.5	1.8	2.3
5,000-7,999	2.4	3.0	5.4
8,000-11,999	5.5	4.1	9.6
12,000-14,999	8.2	4.6	12.8
15,000-19,999	10.5	5.0	15.5
20,000-24,999	12.5	5.0	17.5
25,000-34,999	15.2	4.8	20.0
35,000-49,999	18.6	4.2	22.8
50,000 and more	28.2	2.5	30.7
All Families	14.8	4.2	19.0

a/ Family income includes income of all family members from wages and salaries, self-employment income, interest, dividends, rents, social security, pensions, welfare and other transfer payments. Income refers to estimated 1978 income. OASDHI tax payments reflect the current law rates and base scheduled to go into effect in 1979. Income tax payments are rough estimates and may underestimate income tax payments. Families include single person families.

SOURCE: CBO projections of Census Bureau data.

TABLE 8. COMPARISON OF EFFECTS OF VARIOUS TAX REDUCTION PROPOSALS ON FAMILIES CLASSIFIED BY THEIR INCOMES a/

Family Income (1978 dollars)	<u>Distribution of:</u>		<u>Distribution of Tax Relief Resulting From:</u>			
	Total Families	Total Income	Across the Board Income Tax Cut	Elimination of HI and DI Tax or 10 Percent Refundable Tax Credit	One-third General Revenue Financing	Rollback to Pre- 1977 Law
1,000-4,999	16.4%	2.7%	0.1%	1.1%	1.6%	-%
5,000-7,999	10.3	3.5	0.6	2.7	3.6	0.5
8,000-11,999	12.9	6.9	2.6	6.7	9.4	1.1
12,000-14,999	9.2	6.7	3.7	7.4	10.4	1.3
15,000-19,999	14.3	13.3	9.5	15.8	22.3	4.7
20,000-24,999	11.2	13.4	11.3	16.0	22.0	17.6
25,000-34,999	14.2	22.1	22.8	25.1	29.2	32.4
35,000-49,999	7.5	16.4	20.6	16.2	12.1	25.4
50,000 and over	4.0	15.1	28.8	9.1	-10.7	16.9
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

a/ Family income includes income of all family members from wages and salaries, self-employment income, interest, dividends, rents, social security, pensions, welfare and other transfer payments. Income refers to estimated 1978 income. OASDHI tax payments reflect the current law rates and base scheduled to go into effect in 1979. Income tax payments are rough estimates and may underestimate income tax payments. Families include single person families.

SOURCE: CBO projections of Census Bureau data.

TABLE 9. DISTRIBUTION OF TAX REDUCTIONS BY INCOME CLASS RESULTING FROM CARTER TAX CUT PROPOSAL, AND VARIOUS SOCIAL SECURITY TAX CUT PROPOSALS, CALENDAR 1979 a/

Expanded Income Class b/	Distribution of 1977 Tax Returns c/	Distribution of 1976 Expanded Income	Distribution of Current Law Tax Liabilities	Distribution of Total Tax Reduction From:					
				Carter Tax Cut Proposal		Rollback to Pre-1977 Law	Elimination of HI and DI Payroll Taxes	One-Third General Revenue Financing	Refundable 10 Percent Income Tax Credit
				With Reforms	Without Reforms d/				
\$ 0 - 5,000	28.9%	5.3%	0.1%	3.4%	2.4%	6.0%	5.5%	6.1%	5.5%
5 - 10,000	22.9	13.7	6.1	15.9	11.6	7.0	13.3	14.4	13.3
10 - 15,000	18.3	18.4	13.4	23.2	18.2	6.6	18.5	20.3	18.5
15 - 20,000	13.4	18.8	17.0	24.5	20.7	11.9	25.7	28.1	25.7
20 - 30,000	11.3	21.7	24.2	27.3	27.1	49.8	23.2	22.2	23.2
30 - 50,000	3.8	11.4	16.3	9.0	12.8	12.8	10.5	8.3	10.5
Over 50,000	1.4	10.7	23.0	-3.3 e/	7.2	6.0	3.3	0.6	3.3
TOTAL	100.0%	100.0	100.0	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TOTAL 1979 INDIVIDUAL TAX CUT (in Billions) f/				\$16.8	\$23.5	\$3.6	\$19.1	\$18.4	\$6.5

Source: Treasury Department and CBO estimates.

a/ The Treasury Tax Model, upon which the income tax portions of this table are based, has not yet been updated to reflect 1978 income levels. Instead, it superimposes the proposed 1979 tax law on 1976 income levels. If 1978 income levels were used, many taxpayers would be shifted into higher income classes. In order to make the social security changes roughly comparable to the President's tax cut proposals, this table superimposes 1979 Social Security taxes on 1977 income levels.

b/ Expanded income is a broader concept than the "adjusted gross income" concept that appears on income tax returns and that the Treasury has used for tax analysis tables in previous years. Expanded income includes the untaxed half of capital gains, percentage depletion in excess of cost, depreciation in excess of straight line, and other "tax preference" items included in the minimum tax; however, it excludes investment interest up to the amount of investment income. It therefore comes closer to "real" total economic income than does the usual adjusted gross income figure.

c/ All of the distributions in this table are based on income tax return filing units. As a result, dependents and second earners from high-income families will appear in lower income categories if they file separate tax returns showing low earnings.

d/ Includes only \$240 personal credit and rate changes.

e/ Tax increases.

f/ Includes only employee and self-employed share of social security tax cuts.

TABLE 10. EFFECTS OF THREE ALTERNATIVE TAX CUT MEASURES, AS COMPARED WITH
BASELINE PROJECTIONS, CALENDAR YEAR 1979

	One-Third General Revenue Financing (Hathaway/Burke)	Elimination of DI and HI Taxes (Nelson/Mikva)	President's Tax Proposals
First-Year Direct Revenue Loss (billions of dollars) <u>a/</u>	35.3	36.8	25.0
Effects in Calendar Year 1979			
GNP (billions of 1972 dollars)	16	17	14
Unemployment Rate (percent)	-0.3	-0.3	-0.3
Percent Change, General Price Level	-0.6	-0.6	-0.1

a/ The data in the first two columns refers to calendar year 1979; the figure in the last column refers to fiscal year 1979. Since the President's program starts one quarter earlier, in the fall of 1978, the GNP and unemployment effects shown below are bigger per dollar of revenue loss for the last column. Social security revenue losses are recorded on a trust-fund basis.

TABLE 11. SUMMARY OF REVENUE EFFECTS OF H.R. 10668, AND THE PRESIDENT'S PROPOSAL (DOLLARS IN BILLIONS), ON UNIFIED BUDGET BASIS

	Fiscal Years				
	1979	1980	1981	1982	1983
S. 2501 H.R. 10668 (one third general revenue financing)					
Individuals	14.9	20.7	27.4	33.2	36.8
Businesses	10.7	15.0	19.9	24.1	26.6
States	3.0	4.1	5.4	6.7	7.4
TOTAL	<u>28.6</u>	<u>39.8</u>	<u>52.7</u>	<u>64.0</u>	<u>70.8</u>

S. 2503 H.R. 10754 (Elimination of HI and DI taxes)					
Individuals	18.0	20.7	27.0	32.6	35.7
Business	13.1	15.1	19.7	23.6	25.8
States	3.6	4.1	5.3	6.5	7.2
TOTAL	<u>34.7</u>	<u>39.9</u>	<u>52.0</u>	<u>62.7</u>	<u>68.7</u>

President's Tax Cut and Reform Proposal					
Individual Income Tax:					
Tax reductions	-22.5	-25.7	-29.2	-33.4	-38.5
Tax reforms	4.2	7.4	8.9	10.6	12.3
Total	<u>-18.3</u>	<u>-18.2</u>	<u>-20.3</u>	<u>-22.8</u>	<u>-26.2</u>
Corporation Income Tax:					
Tax reductions	- 6.3	- 9.4	-11.1	-11.8	-12.8
Tax reforms	1.1	3.0	4.3	5.0	5.2
Total	<u>- 5.1</u>	<u>- 6.5</u>	<u>- 6.8</u>	<u>- 6.8</u>	<u>- 7.6</u>
Telephone excise and unemployment insurance tax reductions					
TOTAL	<u>- 1.6</u>	<u>- 2.0</u>	<u>- 1.6</u>	<u>- 1.2</u>	<u>- 1.1</u>
	<u>-25.0</u>	<u>-26.6</u>	<u>-28.6</u>	<u>-30.8</u>	<u>-34.9</u>

SOURCE: The President's 1978 Tax Program, Department of the Treasury, Washington, D. C. and CBO estimates.

TABLE 12. PERCENTAGE CHANGE FROM CURRENT LAW COSTS OF VARIOUS BENEFIT OPTIONS OVER THE LONG TERM.

	Percentage Change
Current Law (90/32/15)	--
Wage Indexing Option A (43 across)	17
Wage Indexing Option B (66/38/29)	9
Wage Indexing Option C (57/33/25)	-5
Wage Indexing Option D (77/28/13)	-13
Price Indexing (Hsiao formula)	-24
Change in Treatment of Spouse Benefit:	
No Dependent's or Survivors' Benefits (current wage indexed system)	-20
Earnings Splitting (current wage indexed system)	-9
Earnings Splitting and Wage Indexing Option C	-21

NOTE: These estimates refer to projected total benefit payments to the cohort born in the period 1934-1936. The various wage indexing options are designated by the percentages in the benefit formula. For example, under current law the formula is 90 percent of the first \$180 of average indexed monthly earnings (AIME); 32 percent of the next \$905 of AIME; 15 percent of all AIME above \$1,085. In each option the AIME brackets remain the same, however.

SUPPLEMENTARY TABLES ON INCOME DISTRIBUTION EFFECTS

TABLE 1. 1979 IMPACT OF P.L. 95-216, COMPARED TO PRIOR LAW

	Earnings Level		
	Up to \$18,900	\$18,900- \$22,900	Over \$22,900
Workers affected <u>a/</u> (in millions)	90.0	6.7	11.3
Percent of total workers	83.3%	6.2%	10.5%
Average tax increase per worker	+\$10	+\$100	+\$260
Range of tax increases	\$0 - \$15	\$15 - \$260	\$260

TABLE 1a . 1983 IMPACT OF P.L. 95-216, COMPARED TO PRIOR LAW

	Earnings Level		
	Up to \$25,800	\$25,800- \$34,800	Over \$34,800
Workers affected (in millions)	98.0	11.2	7.5
Percent of total workers	84.0	9.6	6.4
Average tax increase per worker	+\$70	+\$315	+\$706
Range of tax increases	\$0 - \$103	\$103 - \$706	\$706

a/ Includes all workers, including those working part-time and seasonally. The number therefore exceeds labor force estimates based on full-time equivalent year-round workers.

TABLE 2. CHANGE IN PAYROLL TAX LIABILITY FOR EARNERS AT DIFFERENT INCOME LEVELS UNDER VARIOUS PROPOSALS, CALENDAR YEARS 1979 AND 1983

Income Level	Number of Earners a/ (millions)	Percent of Earners	Payroll Tax Increase (+) or Decrease (-) for Employees Compared to from Current Law			
			Rollback to Pre-1977 Law b/	Elimination of HI and DI Taxes c/	One-third general revenue financing d/	10% refundable Credit e/
<u>1979</u>						
\$ 0 - 18,900	90.0	83.3%	\$0 to -15	\$0 to \$-340	\$0 to \$-421	\$0 to \$-116
18,900 - 22,900	6.7	6.2%	\$-15 to -260	\$-340 to -412	\$-412 to -511	\$-116 to -140
22,900 - 30,000	11.3	10.5%	\$-260	\$-412	\$-511 to -234	\$-140
30,000 - 50,000					\$-234 to +546	
50,000 - 100,000					\$+546 to \$+2,496	
100,000 +					\$+2,496	

<u>1983</u>						
\$ 0 - 25,800	98.0	85.4%	\$0 to -103	\$0 to \$-593	\$0 to \$-697	\$0 to -173
25,800 - 34,800	11.2	9.6%	\$-103 to -706	\$-593 to \$-800	\$-697 to \$-940	\$-173 to \$-233
34,800 - 58,300	7.5	6.4%	\$-706	\$-800	\$-940 to 0	\$-233
58,300 - 100,000					\$0 to +1,668	
100,000 +					\$+1,668 to +3,188	

- a/ Includes all workers, including those working part-time and seasonally. The number therefore exceeds labor force estimates based on full-time equivalent year-round workers.
- b/ Rollback to pre-1977 law tax rates and wage base formula. This column also shows the tax increases resulting from the 1977 law if the signs in front of each number are reversed.
- c/ Eliminate taxes for HI and DI, but retain the 1977 law wage base, as provided in S.2503 (Sen. Nelson and others) and H.R. 10754 (Rep. Mikva and others).
- d/ Reduce rates by about one-third, and increase maximum wage base to \$100,000 in 1979 and an estimated \$138,000 in 1983, as provided in S. 2501 (Sen. Hathaway and others) and H.R. 10668 (Rep. Burke and others).
- e/ Refundable credit against income tax liability equal to 10 percent of social security taxes paid. Variants of this proposal are contained in a number of recently-introduced bills.

TABLE 3. DISTRIBUTION OF TAX REDUCTIONS BY INCOME CLASS RESULTING FROM CARTER TAX CUT PROPOSAL, AND VARIOUS SOCIAL SECURITY TAX CUT PROPOSALS, CALENDAR 1979 ^{a/}

Expanded Income Class ^{b/}	Distribution of 1977 Tax Returns ^{c/}	Distri- bution of 1976 Expanded Income	Distri- bution of Cur- rent Law Tax Liab- ilities	Distribution of Total Tax Reduction From:					
				Carter Tax Cut Proposal		Rollback to Pre-1977 Law	Elimination of HI and DI Payroll Taxes	One-Third General Revenue Financing	Refundable 10 Percent Income Tax Credit
				With Reforms	Without Reforms ^{d/}				
\$ 0 - 5,000	28.9%	5.3%	0.1%	3.4%	2.4%	6.0%	5.5%	6.1%	5.5%
5 - 10,000	22.9	13.7	6.1	15.9	11.6	7.0	13.3	14.4	13.3
10 - 15,000	18.3	18.4	13.4	23.2	18.2	6.8	18.5	20.3	18.5
15 - 20,000	13.4	18.8	17.0	21.5	20.7	11.9	25.7	28.1	25.7
20 - 30,000	11.3	21.7	24.2	27.3	27.1	49.8	23.2	22.2	23.2
30 - 50,000	3.8	11.4	16.3	9.0	12.8	12.8	10.5	8.3	10.5
Over 50,000	1.4	10.7	23.0	-3.3 ^{e/}	7.2	6.0	3.3	0.6	3.3
TOTAL	100.0%	100.0	100.0	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TOTAL 1979 INDIVIDUAL TAX CUT (in Billions) ^{f/}				\$16.8	\$23.5	\$3.6	\$19.1	\$18.4	\$6.5

Source: Treasury Department and CBO estimates.

^{a/} The Treasury Tax Model, upon which the income tax portions of this table are based, has not yet been updated to reflect 1978 income levels. Instead, it superimposes the proposed 1979 tax law on 1976 income levels. If 1978 income levels were used, many taxpayers would be shifted into higher income classes. In order to make the social security changes roughly comparable to the President's tax cut proposals, this table superimposes 1979 Social Security taxes on 1977 income levels.

^{b/} Expanded income is a broader concept than the "adjusted gross income" concept that appears on income tax returns and that the Treasury has used for tax analysis tables in previous years. Expanded income includes the untaxed half of capital gains, percentage depletion in excess of cost, depreciation in excess of straight line, and other "tax preference" items included in the minimum tax; however, it excludes investment interest up to the amount of investment income. It therefore comes closer to "real" total economic income than does the usual adjusted gross income figure.

^{c/} All of the distributions in this table are based on income tax return filing units. As a result, dependents and second earners from high-income families will appear in lower income categories if they file separate tax returns showing low earnings.

^{d/} Includes only \$240 personal credit and rate changes.

^{e/} Tax increases.

^{f/} Includes only employee and self-employed share of social security tax cuts.

TABLE 4. COMPARISON OF MAJOR GAINERS AND LOSERS FROM SUBSTITUTION OF SOCIAL SECURITY PAYROLL TAX CUTS FOR CARTER ADMINISTRATION'S PROPOSED INCOME TAX CUTS

SUBSTITUTE ELIMINATION OF HI AND DI FOR
CARTER INCOME TAX CUTS

Gainers a/

Losers b/

All families except those in
Losers column

Families with earned incomes be-
tween \$10,000 and \$20,000 with
two or more dependents

Single persons with earned
incomes below \$35,000

Single persons with earned incomes
above \$35,000

SUBSTITUTE ONE-THIRD GENERAL REVENUE FINANCING
FOR CARTER INCOME TAX CUTS

Gainers a/

Losers b/

All two-earner families except
for those in Losers column

Two-earner families with earned
incomes between \$10,000 and
\$15,000 and two or more dependents

One-earner families except for
those in Losers column

One-earner families with incomes
over \$30,000

Single persons with earned
incomes below \$30,000

One-earner families with two
dependents and earned incomes
between \$9,000 and \$14,000

Single persons with earned incomes
above \$30,000

a/ Lower total tax burden with social security tax cut rather than income tax cut.

b/ Higher total tax burden with social security tax cut rather than income tax cut. Some additional families at higher income levels than those indicated may do worse under a social security tax cut if they have unusually large numbers of dependents.

TABLE 5. TAX SAVING RESULTING FROM SOCIAL SECURITY PAYROLL TAX CUTS, COMPARED WITH SAVING FROM CARTER ADMINISTRATION INDIVIDUAL INCOME TAX CUT PROPOSAL FOR FAMILIES OF DIFFERENT SIZES AT DIFFERENT INCOME LEVELS, CALENDAR YEAR 1979: IN DOLLARS a/

Adjusted Gross Income	Present Law Tax Liability <u>b/</u>	Tax Change From Carter Tax Cut Proposal <u>c/</u>	Additional Tax Saving (-) or Increase (+) Compared with Carter Proposal	
			Elimination of HI and DI (H.R. 10754)	One-third General Revenue Financing (H.R. 10668)
Single Person				
5,000	278	- 99	+ 9	- 12
10,000	1,199	- 34	-146	-189
15,000	2,126	- 21	-249	-313
20,000	3,232	-126	-234	-319
25,000	4,510	-245	-167	-184
30,000	5,950	-365	- 47	+131
40,000	9,232	-488	+ 75	+644
50,000	12,985	-400	- 12	+946

Two Person Family, No Dependents, One Earner				
5,000	0	0	- 90	-111
10,000	761	-147	- 33	- 76
15,000	1,651	- 99	-171	-235
20,000	2,555	-165	-195	-281
25,000	3,570	-260	-152	-169
30,000	4,712	-322	- 90	+ 88
40,000	7,427	-317	- 95	+473
50,000	10,610	-260	-152	+806

Two-Person Family, No Dependents, Two Earners (Income Divided 50-50)				
5,000	0	0	- 90	-111
10,000	761	-147	- 33	- 76
15,000	1,651	- 99	-171	-235
20,000	2,555	-165	-195	-281
25,000	3,570	-260	-190	-297
30,000	4,712	-322	-218	-347
40,000	7,427	-317	-403	-575
50,000	10,610	-260	-564	-598

Two-Person Family, No Dependents, Two Earners (Income Divided 70-30)				
5,000	0	0	- 90	-111
10,000	761	-147	- 33	- 76
15,000	1,651	- 99	-171	-235
20,000	2,555	-165	-195	-281
25,000	3,570	-260	-190	-297
30,000	4,712	-322	-218	-347
40,000	7,427	-317	-311	-262
50,000	10,610	-260	-422	-113

(Continued)

TABLE 5. (Continued)

Four-Person Family, Two Dependents, One Earner

5,000	- 300	0	- 90	-111
10,000	446	-312	+132	+ 89
15,000	1,330	-258	- 12	- 76
20,000	2,180	-270	- 90	-176
25,000	3,150	-320	- 92	-109
30,000	4,232	-322	- 90	+ 88
40,000	6,848	-218	-194	+374
50,000	9,950	- 80	-332	+626

Four-Person Family, Two Dependents, Two Earners (Income Divided 50-50)

5,000	- 300	0	- 90	-111
10,000	446	-312	+132	+ 89
15,000	1,330	-258	- 12	- 76
20,000	2,180	-270	- 90	-176
25,000	3,150	-320	-130	-238
30,000	4,232	-322	-218	-347
40,000	6,848	-218	-502	-674
50,000	9,950	- 80	-744	-778

Four-Person Family, Two Dependents, Two Earners (Income Divided 70-30)

5,000	- 300	0	- 90	-111
10,000	446	-312	+132	+ 89
15,000	1,330	-258	- 12	- 76
20,000	2,180	-270	- 90	-176
25,000	3,150	-320	-130	-238
30,000	4,232	-322	-218	-347
40,000	6,848	-218	-410	-361
50,000	9,950	- 80	-602	-293

Source: Treasury Department and CBO estimates.

- a/ The estimated tax savings exclude the effects of reductions in the employer share of payroll taxes, as well as the effects of cuts in business income taxes.
- b/ Assumes deductible expenses equal to 23 percent of income.
- c/ Assumes deductible expenses equal to 20 percent of income. Includes only \$240 personal credit and rate changes. The effects of the President's proposed tax reforms are omitted.

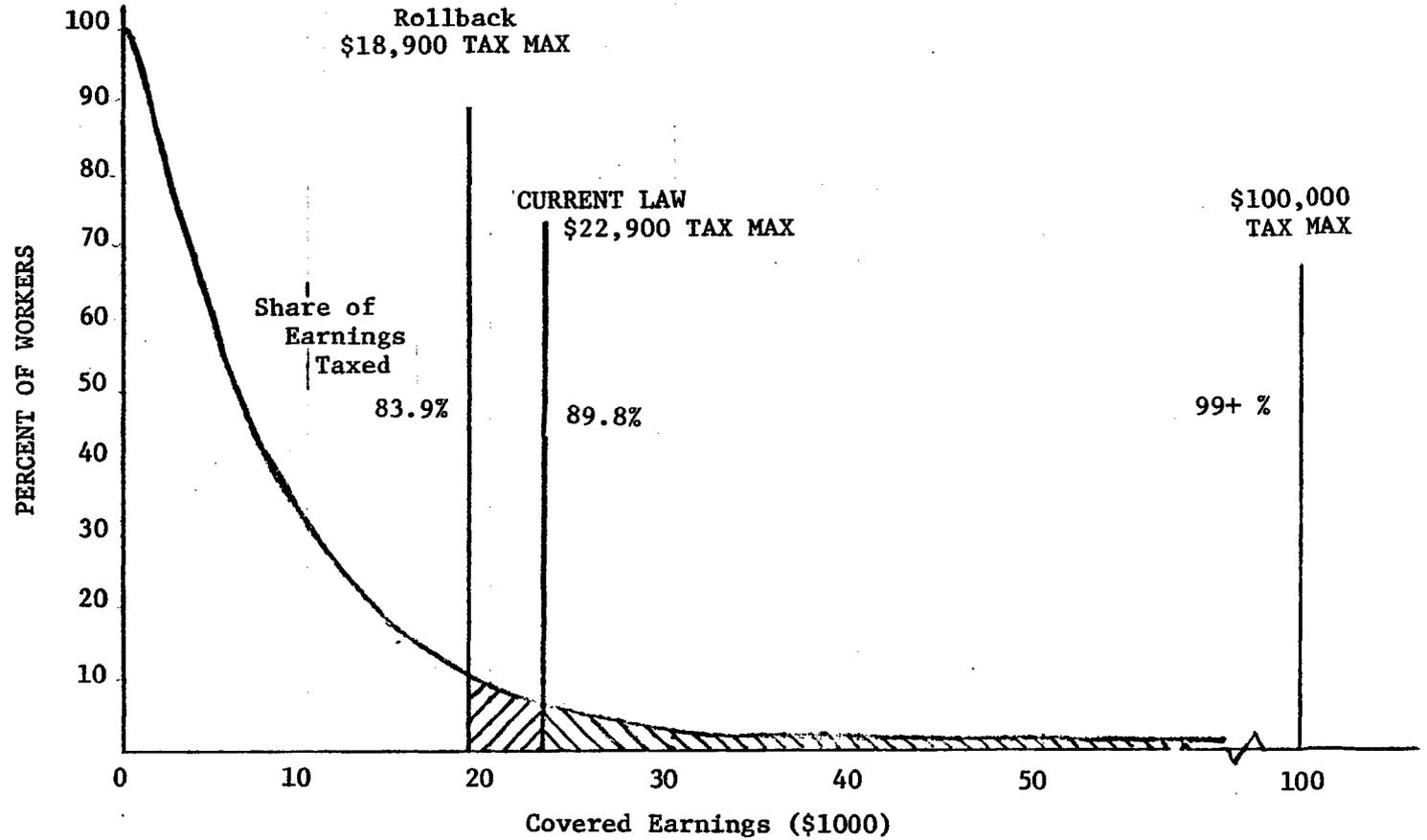
TABLE 6. NUMBER OF TAXPAYERS WITH LARGER TAX CUT UNDER SOCIAL SECURITY TAX CUT PROPOSALS THAN UNDER CARTER INCOME TAX CUT PROPOSAL, BY INCOME CLASS (1979 LAW)

Adjusted Gross Income Class	Number of Returns (Thousands)	Percent of Returns	Average Tax Cut Under Carter Proposal Without Reforms	Percent of Taxpayers with Larger Tax Cut Under:	
				Elimination of HI and DI	One-third General Revenue Financing
\$ 0 - 5	24,728	27.8%	\$ 84	74.5%	78.2%
5 - 10	19,300	21.7	117	58.9	66.8
10 - 15	15,145	17.0	194	56.3	66.0
15 - 20	13,211	14.8	307	46.1	71.3
20 - 30	10,703	12.0	485	14.3	65.9
30 - 50	4,433	5.0	678	8.3	63.6
50 - 100	1,182	1.3	927	4.7	50.4
100 +	<u>298</u>	<u>0.3</u>	<u>1,509</u>	<u>3.4</u>	<u>49.0</u>
TOTAL	89,000	100.0	292	52.1	70.0
Total Calendar 1979 Tax Reduction for Individuals: in Billions			\$ 23.5	\$19.1	\$18.4

CHART 1.

CUMULATIVE DISTRIBUTION OF 1979 EARNINGS

--Share subject to payroll taxes



Rollback:

Change in Liability
 From rate change
 From Tax Max change

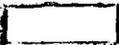
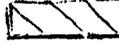
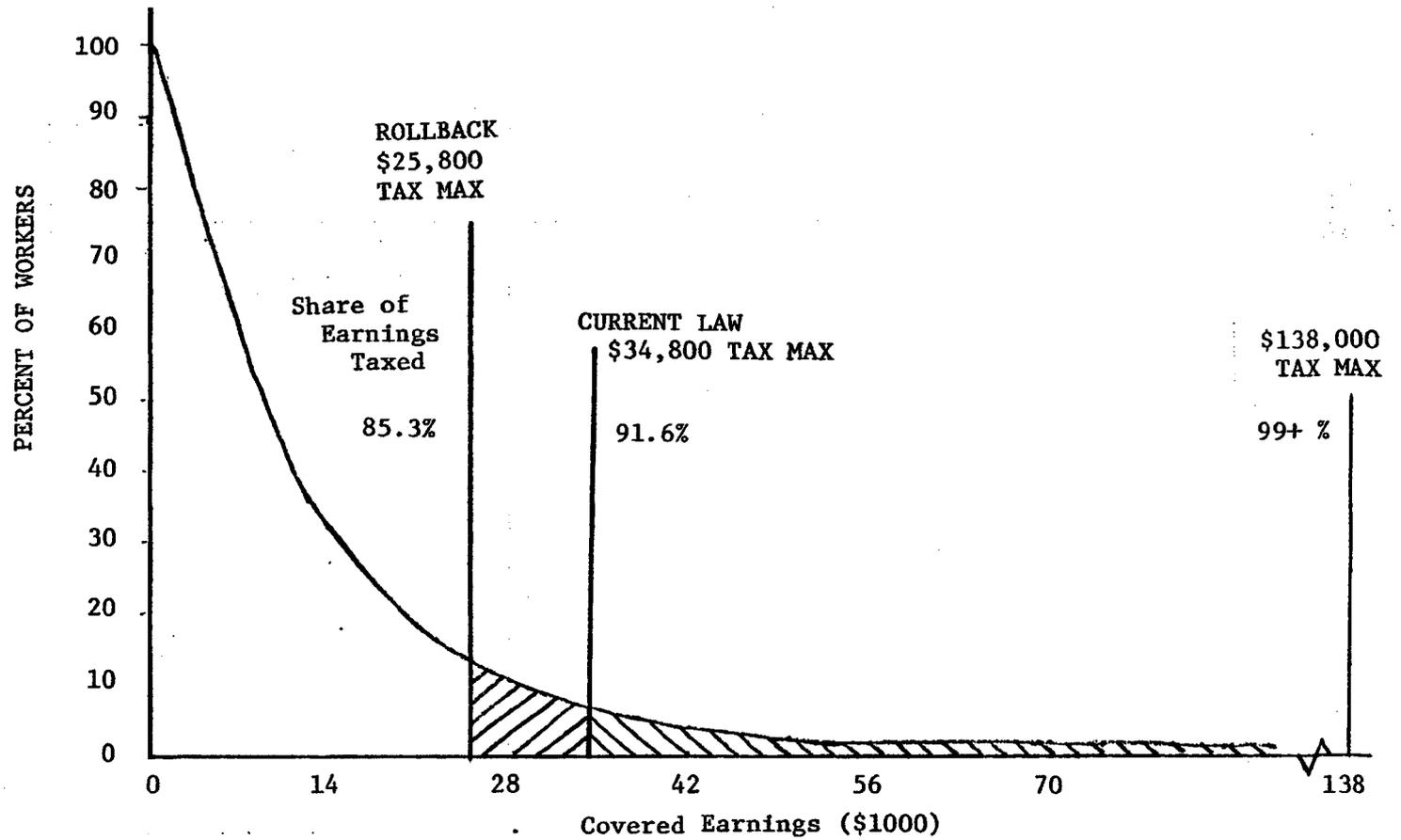
			
Change in Liability	\$0 to \$-15	\$-15 to \$-260	\$-260
From rate change	0 to -15	-15	-15
From Tax Max change	0	0 to -245	-245
Average reduction	\$10	\$100	\$260
Earners in Income group	90 million	6.7 million	11.3 million

CHART 2.

CUMULATIVE DISTRIBUTION OF 1983 EARNINGS

--Share subject to Payroll taxes



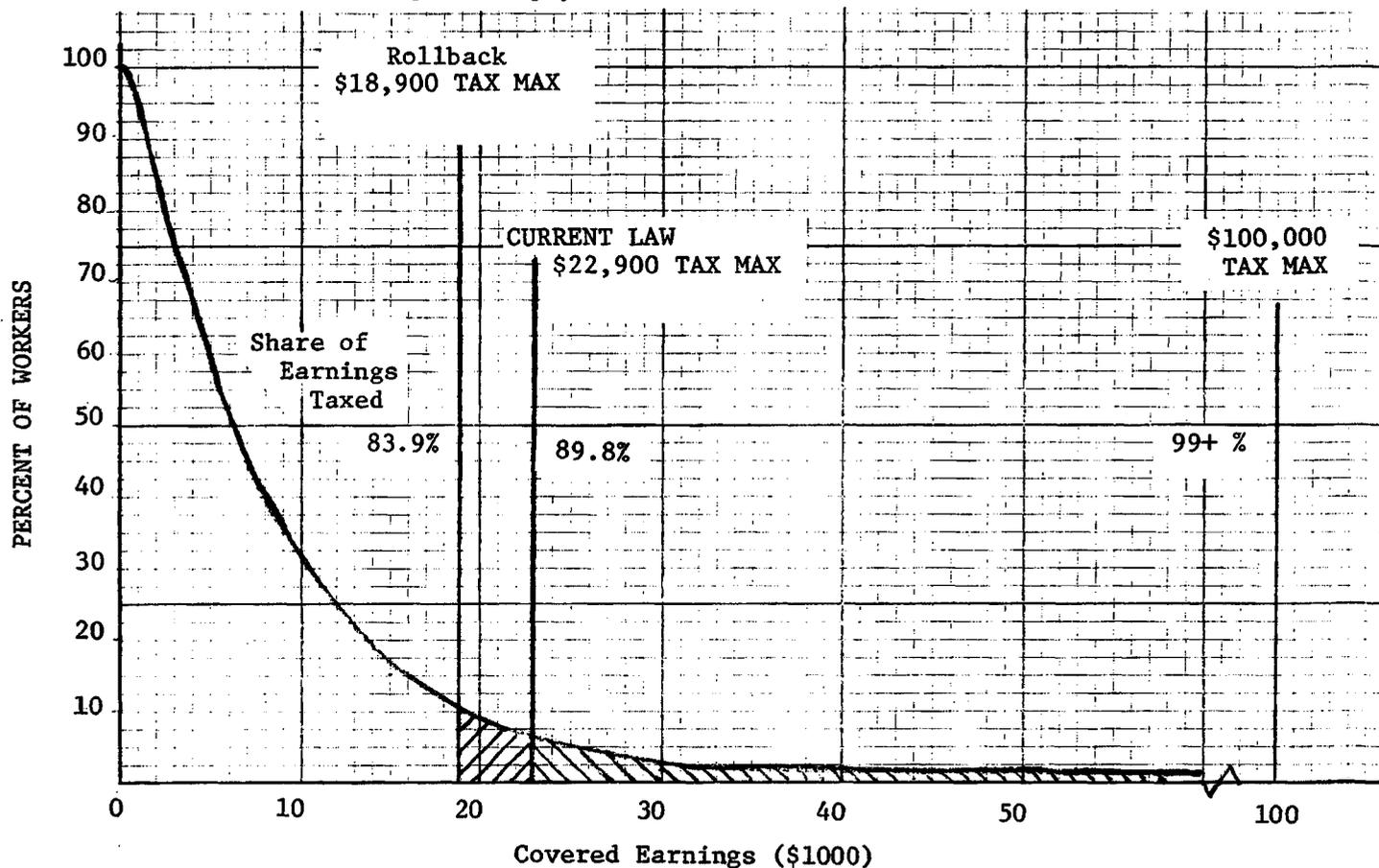
Rollback to pre-1977:

	□	▨	▩
Change in Liability	\$0 to \$-103	\$-103 to \$-706	\$-706
From rate change	0 to -103	-103	-103
From Tax Max change	0	0 to -603	-603
Average reduction	\$70	\$305	\$706
Earners in Income group	98 million	11.2 million	7.5 million

CHART 1.

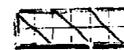
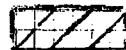
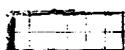
CUMULATIVE DISTRIBUTION OF 1979 EARNINGS

--Share subject to payroll taxes



Rollback:

Change in Liability
From rate change
From Tax Max change



\$0 to \$-15
0 to -15
0

-\$15 to \$-260
-15
0 to -245

-\$260
-15
-245

Average reduction
Earners in Income group

\$10
90 million

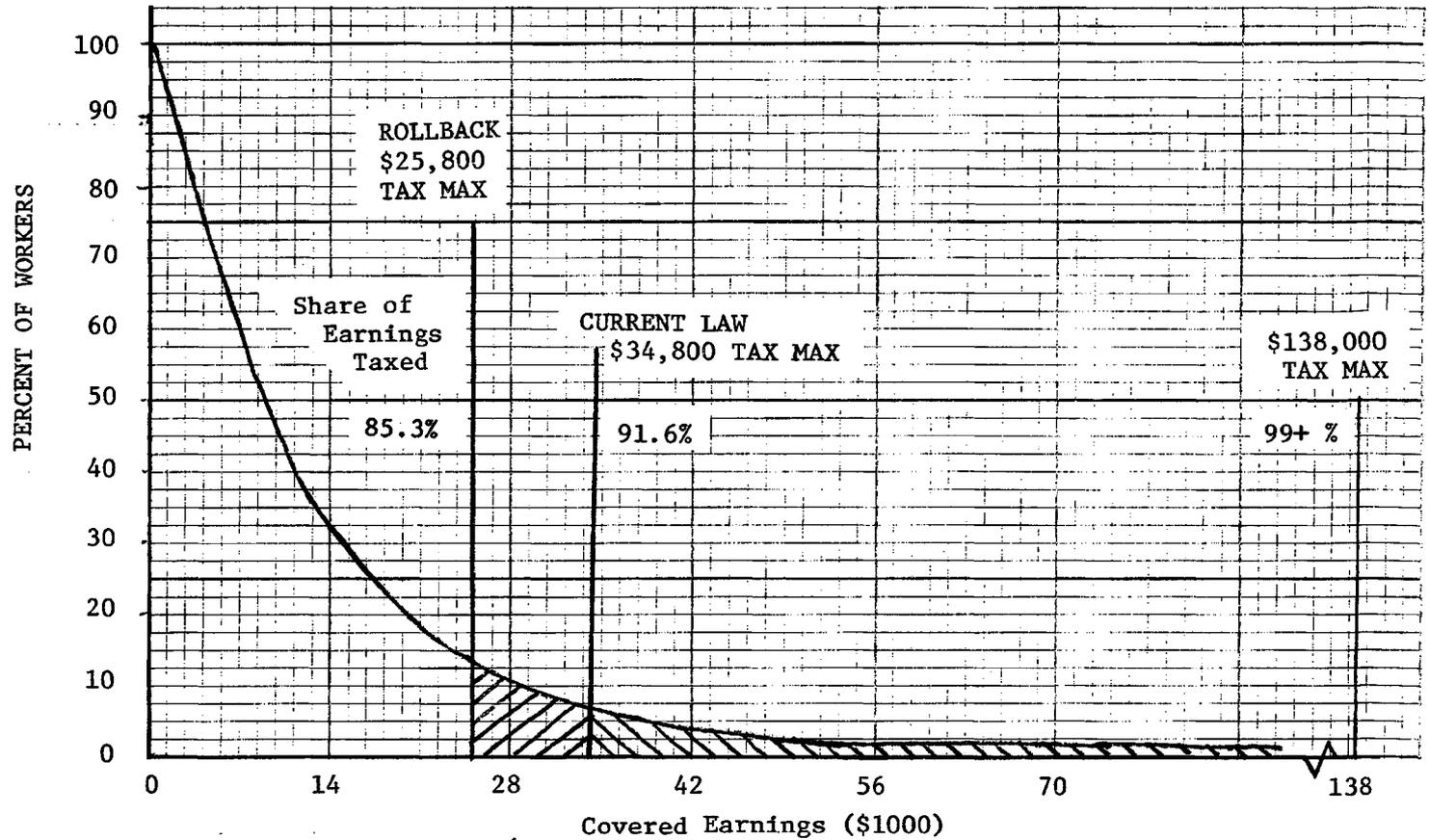
\$100
6.7 million

\$260
11.3 million

CHART 2.

CUMULATIVE DISTRIBUTION OF 1983 EARNINGS

--Share subject to Payroll taxes



Rollback to pre-1977:

	□	▨	▩
Change in Liability	\$0 to \$-103	\$-103 to \$-706	\$-706
From rate change	0 to -103	-103	-103
From Tax Max change	0	0 to -603	-603
Average reduction	\$70	\$305	\$706
Earners in Income group	98 million	11.2 million	7.5 million

