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**CBO**  
**PAPER**

Department of the Treasury  
U.S. Individual Income Tax Return

Form 1040

For the year ending Dec 31, 2003

OMB No. 1545-0074

**AUGUST 2004**

**Effective Federal Tax Rates Under Current Law, 2001 to 2014**

**Table 1. Tax Provisions Enacted in Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, and the Jobs and Growth Tax Relief Reconciliation Act of 2003, by Year, Pre-2001 Through 2011**

Description	Pre-EGTRRA	Tax Rates and Brackets																		
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011								
10 Percent Tax Bracket	n.a.																			
15 Percent Tax Bracket	Indexed																			
Higher Tax Brackets (Percent)		39.6	39.1	38.6	35 (38.6)	33 (35)	30 (34)	28 (30)	25 (27)	35 (37.6)	33 (34)	28 (29)	25 (26)							
Rate on Capital Gains		10 percent for taxpayers in the 15 percent bracket or below; 20 percent for other taxpayers								5 percent for taxpayers in the 15 percent bracket or below—and 0 in 2008; 15 percent for other taxpayers (Ordinary rates)										
Rate on Dividends																				
Change in Limitations																				
Child Credit		\$500, with limited refundability	\$600	\$1,000 (\$600)																
Dependent Care Credit		Maximum expenditure eligible for credit = \$2,400 for one child and \$4,800 for two or more; maximum credit = 20 percent to 30 percent of expenditures																		

33 Add lines 23 through 32a

34 Subtract line 33 from line 22. This is your adjusted gross income

