SAMPLE CHANGES TO PERSONAL INCOME TAX UNDER THE WYDEN PLAN

Taxpayer Profile	Current Tax Owed	Wyden Plan Owed
Agnes Hubbard, grandmother Single Filer **Total Income: $ 18,000**	$1004	-$162 (refund)
Louise Clark, 3 children Head of Household **Total Income: $ 47,000**	$611	-$2549 (refund)
John and Jill Davis, Married Filing Jointly **Total Income: $ 90,000**	$11,156	$9,575
Richard Smith, Divorced, Single Filer **Total Income: $ 100,000**	$16,866	$15,275
Robert and Betty Barnes, 1 child Married Filing Jointly **Total Income: $ 170,000**	$28,185	$28,060
Sue and Stan Evans, 4 children Married Filing Jointly [AMT] **Total Income: $ 275,000**	$55,510	$58,265

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SAMPLE TAXPAYER PROFILES

Agnes Hubbard is an 85 year old widow. She receives $1000/month in Social Security payments, and $500/month in pension payments. Her annual income is $18,000. Under the current tax code, she is required to pay $1,004. If the Wyden proposal were in effect, her single filer standard deduction of $15,000 and 10 percent refund on state and local taxes paid would return $162 to her, a difference of $1,166.

Louise Clark is a single, working mother with 3 children. She brings in $35,000 each year from her job as an Administrative Assistant, and receives $12,000 in alimony from her first husband. Her total income is therefore $47,000. The current tax code requires her to pay $611 in taxes. If the Wyden proposal were in effect, her deduction as the head of household would be $26,250 and she would get a 10 percent refund ($297) for state and local taxes she paid, thus returning $2,549 to Ms. Clark, a difference of $3,160.

John and Jill Davis are homeowners with no children, but care for Jill's ailing mother. John, a firefighter, earns $50,000/year, and Jill earns $40,000/year as a school teacher. With a total income of $90,000, and one dependent, they would itemize under the current tax code to maximize their return. With total deductions of $10,000, they would owe $11,156 under the current tax code. If the Wyden proposal were in effect, they would choose the standard deduction of $30,000 rather than itemize, and they would get a $600 credit for state and local taxes paid. Thus they would owe $9,575, a difference of $1,581.

Richard Smith is a divorced, software engineer who rents an upscale apartment in the city. His salary is $100,000 and he pays $12,000 in alimony, so his total income is $88,000. Since he contributes $500 to charity, his total itemized deductions under the current tax laws would be $5,500. Mr. Smith would owe $16,866 under current law. If the Wyden proposal were in effect, he would get an $800 credit for state and local taxes paid and choose to take the standard deduction of $15,000 for single filers rather than itemize. Thus he would owe $15,275 under the Wyden proposal, a difference of $1,591.

Robert and Betty Barnes have one child; Robert's mother-in-law also lives in the Barnes' household. The Barnes earn $170,000 per year. They pay $9,000 in mortgage interest and contribute $1,500 to charity; consequently, they can claim $17,500 in itemized deductions. Under the current tax code, they owe $28,185. If the Wyden proposal were in effect, they would choose the $30,000 standard deduction and receive a credit of $1,100 for state and local taxes paid, and therefore they would owe $28,060, a difference of $125.

Sue and Stan Evans earn $275,000 in income. They have two girls and twin boys. They own a $1 million home, on which they pay a mortgage interest of $25,000. They receive $20,000 in dividends and contribute $5000 to charity. Using current tax calculations, the Evans family would owe $39,692; however, since they cross the AMT threshold, they would owe $55,510. If the Wyden proposal were in effect, they would owe $58,265 because they have very large itemized deductions and significant unearned income, a difference of $2,755.