

BUSH PROPOSES SPEEDING TAX CUTS

President Bush outlined his economic stimulus plan Tuesday, the cost of which is estimated at \$674 billion over 10 years. The main components of the plan are the acceleration of scheduled changes and the elimination of dividend taxation.

- ▶ Accelerate reduction of the marriage penalty, instead of waiting until 2009.
- ▶ Accelerate the per-child tax credit increase from \$600 to \$1,000, instead of waiting until 2010.
- ▶ Implement immediately the 10 percent tax bracket, instead of waiting until 2008.
- ▶ Eliminate taxation of dividends.
- ▶ Increase limits on expensing equipment purchases by small businesses from \$25,000 to \$75,000.
- ▶ Create "personal re-employment accounts" that provide unemployed workers with up to \$3,000 for expenses related to job search.

Tale of the tax plans

The Urban Institute-Brookings Institution Tax Policy Center released its preliminary estimates of what impact the Bush plan would have vs. the impact of the Democratic proposal released Monday.

Income group (In thousands of dollars)	Bush plan		Democrats' plan	
	Average savings (In dollars)	Percent of total savings	Average savings (In dollars)	Percent of total savings
0-10	5	0.1	234	12.6
10-20	63	1.3	290	14.3
20-30	204	3.3	319	12.4
30-40	351	4.1	361	10.2
40-50	500	4.5	385	8.3
50-75	820	12.7	447	16.7
75-100	1,776	15.7	510	10.9
100-200	2,710	23.2	517	10.7
200-500	5,527	11.4	521	2.6
500-1,000	17,605	6.4	516	0.5
1,000+	88,873	17.4	515	0.2
All income groups	865	100	357	100