

# Committee on Ways and Means

## The Jobs and Growth Tax Relief Reconciliation Act of 2003

### Acceleration of 2001 Bush Tax Cuts for Individuals

- **Child credit.** Increases child credit to \$1,000 for 2003, 2004. Families will receive a “child credit” check this year of up to \$400 per child.
- **10 percent bracket.** Accelerates the expansion of the 10 percent bracket for 2003, 2004.
- **Marriage penalty relief.** Accelerates the expansion of the 15 percent bracket and the increase in the standard deduction for married persons filing joint returns for 2003, 2004.
- **Individual rate cuts.** Accelerate the 2006 individual rate cut schedule to 2003. (Rates reduced from 27% to 25%; 30% to 28%; 35% to 33% and 38.6% to 35%.)
- **Increase individual AMT exemption amount.** Increases the AMT exemption amount by \$4,500 for single persons and \$9,000 for joint filers for 2003, 2004.

### Business and investment incentives

- **Bonus depreciation.** Increases bonus depreciation from 30 percent to 50 percent and extends through December 31, 2004.
- **Small business expensing.** For 2003 through 2005, increases the amount that small businesses can expense (immediately deduct) from \$25,000 to \$100,000. Increases definition of small business from \$200,000 of capital purchases to \$400,000. Both amounts are indexed for inflation in 2004 and 2005.

### Dividends and capital gains

- **Dividend and capital gain tax rate reduction 5/15.** For taxpayers in the lowest two tax brackets, reduces the tax rate on dividends and capital gains to 5 percent through 2007 and zero percent in 2008. For all other taxpayers, reduces the tax on dividends and capital gains to 15 percent through 2008.

### Aid to States

- **\$20 billion of help to States.**