

**Working Families Tax Relief Act of 2004: Impact on Married Couple with 1
Child that Earns \$35,000 and Takes the Standard Deduction**

	2005 Prior Law	2005 New Law
Income	\$35,000	\$35,000
Personal exemptions	9,600 (3x\$3200)	9,600 (3x\$3200)
Standard deduction	\$8,700	\$10,000
Taxable income	\$16,700	\$15,400
	[\$35K -\$9,600-\$8,700]	[\$35K-\$9,600-\$10K]
Regular tax	\$1,905	\$1,580
	[10%x\$12,000+15%x\$4700	[10%x\$14600+15%x800]
]	
Child credit	\$700	\$1,000
Potentially refundable child credit	3600	3600
	[15%x(35,000-11,000)]	[15%x(35,000-11,000)]
Tax after credits	\$1,205	\$580
Net Federal Income Tax Reduction Under Working Families Tax Relief Act of 2004	\$625	