

**Working Families Tax Relief Act of 2004: Impact on Married Couple with 1
Child that Earns \$30,000 and Takes the Standard Deduction**

	2005 Prior Law	2005 New Law
Income	\$30,000	\$30,000
Personal exemptions	9,600 (3x\$3200)	9,600 (3x\$3200)
Standard deduction	\$8,700	\$10,000
Taxable income	\$11,700	\$10,400
	[\$30K -\$9,600-\$8,700]	[\$30K-\$9,600-\$10K]
Regular tax	\$1,170	\$1,040
	[10%x\$11,700]	[10%x\$10,400]
Child credit	\$700	\$1,000
Potentially refundable child credit	2850	2850
	[15%x(30,000-11,000)]	[15%x(30,000-11,000)]
Tax after credits	\$470	\$40
Net Federal Income Tax Reduction Under Working Families Tax Relief Act of 2004	\$430	