

EXHIBIT Summary of Tax Reform Plans: Provisions Affecting Individuals						
Simplified Income Tax Plan (SITP)			Growth and Investment Tax Plan (GITP)			
Households and Families						
Tax Rates	Tax Rate:	Married	Single	Tax Rate:	Married	Single
	15%	up to \$10,000	up to \$5,000	15%	up to \$10,000	up to \$4,000
	25%	\$10 - 150,000	\$5 - 75,000	25%	\$10 - 140,000	\$4 - 70,000
	30%	\$150 - 200,000	\$75 - 100,000	30%	\$140,001 +	\$70,000 +
	35%	\$200,001 +	\$100,001 +			
Filing Status	Single or Married: A married taxpayer would be allowed to choose between filing jointly as a couple, or filing as a single person. There would be no married filing separately, or head of household status. Married taxpayers who file as single would lose a portion of some credits.					
Personal Exemptions	Replaced with the Family Credit (I) available to all taxpayers: \$3,300 credit for married couples; \$2,800 credit for unmarried taxpayers with child; \$1,650 credit for unmarried taxpayers; \$1,150 credit for dependent taxpayers; additional \$1,500 credit for each child and \$500 credit for each other dependent. Does not phase out. Is not refundable.					
Standard Deduction	Replaced with the Family Credit (I).					
Child Tax Credit	Replaced with the Family Credit (I).					
Earned Income Tax Credit	Replaced with Work Credit (II) (and coordinated with the Family Credit); maximum credit for working family with one child is \$3,570; with two or more children is \$5,800. Maximum income for single is \$28,600 for one child and \$27,800 for two or more children. Maximum income for Married is \$22,600 for one child and \$41,800 for two or more children. Phases out. Refundable.					
Marriage Penalty	Reduced; tax brackets and most other tax parameters for couples are double those of individuals.			Same as SITP, except different brackets.		
Other Major Credits and Deductions						
Home Mortgage Interest	Home Credit equal to 15% of mortgage interest paid; available to all taxpayers; mortgage limited to average regional price of housing limits ranging from about \$277,000 to \$412,000, adjusted annually.					
Charitable Giving	Deduction available to all taxpayers for contributions in excess of 1% of gross income; rules to address valuation abuses.					
Health Insurance	All taxpayers may purchase health insurance with pretax dollars, up to the amount of the average premium (estimated to be \$5,000 for an individual and \$11,500 for a family, adjusted annually).					
State and Local Taxes	Not deductible.					

EXHIBIT (Continued) Summary of Tax Reform Plans: Provisions Affecting Individuals						
Simplified Income Tax Plan (SITP)			Growth and Investment Tax Plan (GITP)			
Education	Taxpayers can claim Family Credit (II) for some full-time students; simplified savings plans.					
Individual Savings and Retirement						
Defined Contribution Plans	Consolidated into Save at Work Plans (I) that have simple rules and use current law 401(k) contribution limits. AutoSave features part workers in a pro-saving direction. SITP would be pretax, like traditional IRA; GITP would be "prepaid," Roth-style.					
Defined Benefit Plans	No change.					
Retirement Savings Plans	Replaced with Save for Retirement accounts (II) (\$10,000 annual limit) available to all taxpayers. After-tax dollars (like Roth IRA), tax-free accounts, no income limits.					
Education and Health Savings Plans	Replaced with Save for Family accounts (II) (\$10,000 annual limit). Would cover education, medical, new-home costs, and retirement saving needs; available to all taxpayers; refundable Saver's Credit available to low-income taxpayers. After-tax dollars (like Roth IRA), tax-free accounts, no income limits.					
Dividends Received	Exclude 100% of dividends of U.S. companies paid out of domestic earnings.			Taxed at 15% rate.		
Capital Gains Received	Exclude 75% of capital gains from sale of stock in U.S. companies			Taxed at 15% rate.		
Interest* Received	Taxed at regular income tax rates.			Taxed at 15% rate		
Social Security Benefits	Replaces three-tiered structure with a simple deduction. Married taxpayers with less than \$44,000 in income (\$22,000 if single) pay no tax on Social Security benefits. Eliminates marriage penalty; indexed for inflation (I).					
Alternative Minimum Tax	Repealed.					
Note: (I) represents provisions that adjust for inflation. *(Other Than Tax-exempt Municipal Bonds)						