

**ESTIMATED DISTRIBUTIONAL IMPACT OF "STELLY PLAN" INCOME TAX AND SALES TAX CHANGES  
 COMPRESS BRACKETS, ELIMINATE EXCESS ITEMIZED DEDUCTIONS AND FOOD AND RESIDENTIAL UTILITY SALES TAX  
 ITEMIZER RESIDENT RETURNS  
 ALL FILING STATUS'  
 TAX YEAR 2004**

Table  
ITM A

Federal Adjusted Gross Income	Average FAGI	Number of Returns	State Income Tax Change \$	Food & Utility Sales Tax Savings	Net Impact of Tax Changes	Combined Pct Chg
\$0 - \$5,000	\$2,723	1,871	\$0	(\$28)	(\$28)	-13%
\$5,000 - \$10,000	\$7,807	3,895	\$28	(\$72)	(\$44)	-19%
\$10,000 - \$15,000	\$12,638	7,343	\$60	(\$76)	(\$15)	-6%
\$15,000 - \$20,000	\$17,634	10,246	\$85	(\$87)	(\$3)	-1%
\$20,000 - \$25,000	\$22,596	13,192	\$80	(\$89)	(\$8)	-1%
\$25,000 - \$30,000	\$27,587	16,005	\$140	(\$91)	\$50	7%
\$30,000 - \$40,000	\$35,090	36,948	\$203	(\$99)	\$104	11%
\$40,000 - \$50,000	\$44,920	37,042	\$279	(\$110)	\$169	13%
\$50,000 - \$60,000	\$54,943	33,576	\$321	(\$125)	\$195	12%
\$60,000 - \$70,000	\$64,937	31,260	\$401	(\$140)	\$261	13%
\$70,000 - \$80,000	\$74,907	28,649	\$514	(\$154)	\$360	15%
\$80,000 - \$90,000	\$84,873	25,482	\$649	(\$164)	\$485	17%
\$90,000 - \$100,000	\$94,793	20,897	\$764	(\$170)	\$594	19%
\$100,000 - \$120,000	\$109,128	28,647	\$993	(\$179)	\$815	22%
\$120,000 - \$140,000	\$129,083	16,490	\$1,228	(\$186)	\$1,042	24%
\$140,000 - \$160,000	\$149,121	10,038	\$1,355	(\$194)	\$1,162	23%
\$160,000 - \$180,000	\$169,352	6,484	\$1,434	(\$204)	\$1,230	20%
\$180,000 - \$200,000	\$189,493	4,522	\$1,484	(\$214)	\$1,271	18%
\$200,000 - \$250,000	\$222,251	6,542	\$1,578	(\$226)	\$1,351	16%
\$250,000 - \$300,000	\$272,586	3,820	\$1,693	(\$247)	\$1,446	14%
\$300,000 - \$350,000	\$323,543	2,436	\$1,916	(\$267)	\$1,649	14%
\$350,000 - \$400,000	\$373,401	1,591	\$2,011	(\$290)	\$1,720	12%
\$400,000 - \$450,000	\$423,713	1,197	\$2,110	(\$305)	\$1,805	11%
\$450,000 - \$500,000	\$474,276	831	\$2,237	(\$325)	\$1,913	11%
\$500,000 - \$600,000	\$546,425	1,134	\$2,348	(\$354)	\$1,994	10%
\$600,000 - \$700,000	\$646,166	750	\$2,695	(\$397)	\$2,299	10%
\$700,000 - \$800,000	\$747,691	513	\$2,965	(\$444)	\$2,521	9%
\$800,000 - \$900,000	\$848,122	385	\$2,925	(\$485)	\$2,440	8%
\$900,000 - \$1,000,000	\$948,318	269	\$3,647	(\$516)	\$3,132	9%
\$1,000,000 plus	\$2,283,819	1,223	\$5,712	(\$1,030)	\$4,682	6%
		353,278		2.7 <== persons multiple of returns		

Pre-Stelly (Single/Joint)	Rates	Post-Stelly (Single/Joint)	Rates
\$0 - \$10,000/\$20,000	2%	\$0 - \$12,500/\$25,000	2%
\$10k/\$20k - \$50k/\$100k	4%	\$12.5k/\$25k - \$25k/\$50k	4%
\$50k/\$100k plus	6%	\$25k/\$50k plus	6%
57.5% Excess Itemized Deduction Allowed		0% Excess Itemized Deduction Allowed	
3.9% sales tax on food for home & residential utilities		0% sales tax on food for home & residential utilities	

Bracket changes affect all filers. Changes to excess federal itemized deductions affect only filers that itemize on federal returns. Itemizers will also experience a federal tax decrease for every dollar of state tax increase equivalent to their marginal federal tax rate (10% - 35%) multiplied by their state tax dollar change.

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 COMPRESS BRACKETS, ELIMINATE EXCESS ITEMIZED DEDUCTIONS AND FOOD AND RESIDENTIAL UTILITY SALES TAX  
 ITEMIZER RESIDENT RETURNS  
 SINGLE FILER STATUS  
 TAX YEAR 2004**

Table  
ITM S

Federal Adjusted Gross Income		Average FAGI	Number of Returns	State Income Tax Change	Food & Utility Sales Tax Savings	Net Impact of Tax Changes	Net Percent Change
\$0	\$5,000	\$2,717	1,189	\$0	(\$20)	(\$20)	-13%
\$5,000	\$10,000	\$7,870	2,491	\$43	(\$54)	(\$12)	-7%
\$10,000	\$15,000	\$12,571	4,776	\$74	(\$57)	\$17	10%
\$15,000	\$20,000	\$17,549	5,668	\$93	(\$59)	\$34	20%
\$20,000	\$25,000	\$22,556	6,654	\$89	(\$56)	\$33	20%
\$25,000	\$30,000	\$27,584	7,724	\$117	(\$55)	\$63	37%
\$30,000	\$40,000	\$35,012	17,207	\$235	(\$56)	\$179	101%
\$40,000	\$50,000	\$44,739	14,818	\$383	(\$58)	\$325	168%
\$50,000	\$60,000	\$54,687	10,213	\$540	(\$60)	\$480	227%
\$60,000	\$70,000	\$64,600	6,896	\$684	(\$63)	\$621	272%
\$70,000	\$80,000	\$74,661	4,376	\$756	(\$65)	\$691	278%
\$80,000	\$90,000	\$84,593	2,964	\$829	(\$68)	\$761	285%
\$90,000	\$100,000	\$94,619	2,032	\$904	(\$71)	\$833	288%
\$100,000	\$120,000	\$109,109	2,368	\$971	(\$75)	\$897	279%
\$120,000	\$140,000	\$129,127	1,381	\$1,024	(\$80)	\$944	260%
\$140,000	\$160,000	\$149,678	939	\$1,116	(\$87)	\$1,029	249%
\$160,000	\$180,000	\$169,398	599	\$1,221	(\$88)	\$1,132	258%
\$180,000	\$200,000	\$189,464	453	\$1,197	(\$94)	\$1,103	228%
\$200,000	\$250,000	\$222,459	718	\$1,406	(\$97)	\$1,309	247%
\$250,000	\$300,000	\$271,638	403	\$1,507	(\$102)	\$1,406	238%
\$300,000	\$350,000	\$324,878	263	\$1,823	(\$117)	\$1,706	238%
\$350,000	\$400,000	\$371,653	159	\$1,705	(\$118)	\$1,587	210%
\$400,000	\$450,000	\$424,563	121	\$2,225	(\$134)	\$2,091	235%
\$450,000	\$500,000	\$472,281	101	\$2,135	(\$141)	\$1,994	206%
\$500,000	\$600,000	\$547,312	134	\$2,330	(\$161)	\$2,169	190%
\$600,000	\$700,000	\$647,678	76	\$2,417	(\$189)	\$2,228	159%
\$700,000	\$800,000	\$747,518	57	\$2,523	(\$191)	\$2,332	160%
\$800,000	\$900,000	\$844,390	40	\$1,881	(\$195)	\$1,686	111%
\$900,000	\$1,000,000	\$956,808	34	\$5,412	(\$198)	\$5,214	329%
\$1,000,000 plus		\$2,997,295	174	\$5,187	(\$610)	\$4,576	81%
			95,028	1.3	<== persons multiple of returns		

<u>Pre-Stelly (Single/Joint)</u>	<u>Rates</u>	<u>Post-Stelly (Single/Joint)</u>	<u>Rates</u>
\$0 - \$10,000/\$20,000	2%	\$0 - \$12,500/\$25,000	2%
\$10k/\$20k - \$50k/\$100k	4%	\$12.5k/\$25k - \$25k/\$50k	4%
\$50k/\$100k plus	6%	\$25k/\$50k plus	6%
57.5% Excess Itemized Deduction Allowed		0% Excess Itemized Deduction Allowed	
3.9% sales tax on food for home & residential utilities		0% sales tax on food for home & residential utilities	

Bracket changes affect all filers. Changes to excess federal itemized deductions affect only filers that itemize on federal returns. Itemizers will also experience a federal tax decrease for every dollar of state tax increase equivalent to their marginal federal tax rate (10% - 35%) multiplied by their state tax dollar change.

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 COMPRESS BRACKETS, ELIMINATE EXCESS ITEMIZED DEDUCTIONS AND FOOD AND RESIDENTIAL UTILITY SALES TAX  
 ITEMIZER RESIDENT RETURNS  
 JOINT FILER STATUS  
 TAX YEAR 2004**

Table  
ITM J

Federal Adjusted Gross Income		Average FAGI	Number of Returns	State Income Tax Change	Food & Utility Sales Tax Savings	Net Impact of Tax Changes	Net Percent Change
\$0	\$5,000	\$2,710	512	\$0	(\$45)	(\$45)	-13%
\$5,000	\$10,000	\$7,678	969	\$0	(\$102)	(\$102)	-28%
\$10,000	\$15,000	\$12,710	1,590	\$33	(\$115)	(\$82)	-20%
\$15,000	\$20,000	\$17,753	2,669	\$53	(\$136)	(\$83)	-20%
\$20,000	\$25,000	\$22,584	3,451	\$69	(\$136)	(\$67)	-16%
\$25,000	\$30,000	\$27,583	4,046	\$78	(\$139)	(\$61)	-14%
\$30,000	\$40,000	\$35,297	10,492	\$66	(\$154)	(\$88)	-18%
\$40,000	\$50,000	\$45,192	14,502	\$73	(\$159)	(\$86)	-16%
\$50,000	\$60,000	\$55,143	18,357	\$112	(\$163)	(\$51)	-9%
\$60,000	\$70,000	\$65,089	21,005	\$256	(\$168)	\$88	14%
\$70,000	\$80,000	\$74,986	22,165	\$409	(\$174)	\$235	36%
\$80,000	\$90,000	\$84,924	21,188	\$613	(\$180)	\$433	61%
\$90,000	\$100,000	\$94,825	18,099	\$745	(\$183)	\$562	75%
\$100,000	\$120,000	\$109,141	25,491	\$997	(\$190)	\$808	99%
\$120,000	\$140,000	\$129,061	14,687	\$1,254	(\$197)	\$1,057	118%
\$140,000	\$160,000	\$149,065	8,881	\$1,387	(\$206)	\$1,181	121%
\$160,000	\$180,000	\$169,353	5,721	\$1,461	(\$217)	\$1,243	115%
\$180,000	\$200,000	\$189,490	3,939	\$1,528	(\$229)	\$1,299	110%
\$200,000	\$250,000	\$222,240	5,677	\$1,603	(\$244)	\$1,359	103%
\$250,000	\$300,000	\$272,583	3,328	\$1,719	(\$267)	\$1,453	94%
\$300,000	\$350,000	\$323,397	2,114	\$1,939	(\$288)	\$1,651	93%
\$350,000	\$400,000	\$373,643	1,406	\$2,041	(\$311)	\$1,730	87%
\$400,000	\$450,000	\$423,628	1,047	\$2,097	(\$327)	\$1,770	81%
\$450,000	\$500,000	\$474,536	709	\$2,236	(\$354)	\$1,882	78%
\$500,000	\$600,000	\$546,248	979	\$2,356	(\$384)	\$1,972	72%
\$600,000	\$700,000	\$646,041	658	\$2,749	(\$425)	\$2,324	74%
\$700,000	\$800,000	\$747,487	444	\$3,007	(\$480)	\$2,527	69%
\$800,000	\$900,000	\$848,341	342	\$3,063	(\$521)	\$2,541	62%
\$900,000	\$1,000,000	\$946,820	230	\$3,387	(\$566)	\$2,821	62%
\$1,000,000 plus		\$2,171,838	1,027	\$5,844	(\$1,081)	\$4,763	49%
			215,725				
				3.3	<== persons multiple of returns		

<u>Pre-Stelly (Single/Joint)</u>	<u>Rates</u>	<u>Post-Stelly (Single/Joint)</u>	<u>Rates</u>
\$0 - \$10,000/\$20,000	2%	\$0 - \$12,500/\$25,000	2%
\$10k/\$20k - \$50k/\$100k	4%	\$12.5k/\$25k - \$25k/\$50k	4%
\$50k/\$100k plus	6%	\$25k/\$50k plus	6%
57.5% Excess Itemized Deduction Allowed		0% Excess Itemized Deduction Allowed	
3.9% sales tax on food for home & residential utilities		0% sales tax on food for home & residential utilities	

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COMPRESS BRACKETS, ELIMINATE EXCESS ITEMIZED DEDUCTIONS AND FOOD AND RESIDENTIAL UTILITY SALES TAX  
ITEMIZER RESIDENT RETURNS  
HEAD-OF-HOUSEHOLD FILER STATUS  
TAX YEAR 2004**

Table  
ITM H

Federal Adjusted Gross Income		Average FAGI	Number of Returns	State Income Tax Change	Food & Utility Sales Tax Savings	Net Impact of Tax Changes	Net Percent Change
\$0	\$5,000	\$2,802	170	\$0	(\$34)	(\$34)	-13%
\$5,000	\$10,000	\$7,730	435	\$2	(\$81)	(\$78)	-30%
\$10,000	\$15,000	\$12,849	977	\$38	(\$88)	(\$50)	-17%
\$15,000	\$20,000	\$17,717	1,909	\$104	(\$100)	\$4	1%
\$20,000	\$25,000	\$22,693	3,087	\$76	(\$104)	(\$28)	-9%
\$25,000	\$30,000	\$27,595	4,235	\$241	(\$107)	\$134	40%
\$30,000	\$40,000	\$34,999	9,249	\$299	(\$116)	\$183	50%
\$40,000	\$50,000	\$44,758	7,722	\$468	(\$119)	\$349	88%
\$50,000	\$60,000	\$54,729	5,006	\$640	(\$120)	\$519	124%
\$60,000	\$70,000	\$64,679	3,359	\$727	(\$123)	\$604	135%
\$70,000	\$80,000	\$74,582	2,108	\$1,112	(\$127)	\$985	204%
\$80,000	\$90,000	\$84,673	1,330	\$823	(\$132)	\$691	132%
\$90,000	\$100,000	\$94,496	766	\$845	(\$131)	\$714	133%
\$100,000	\$120,000	\$108,766	788	\$921	(\$136)	\$785	135%
\$120,000	\$140,000	\$129,700	422	\$971	(\$142)	\$829	128%
\$140,000	\$160,000	\$148,980	218	\$1,079	(\$148)	\$931	132%
\$160,000	\$180,000	\$169,137	164	\$1,273	(\$161)	\$1,112	139%
\$180,000	\$200,000	\$189,680	130	\$1,157	(\$160)	\$997	121%
\$200,000	\$250,000	\$221,665	147	\$1,429	(\$175)	\$1,254	132%
\$250,000	\$300,000	\$276,984	89	\$1,569	(\$184)	\$1,385	129%
\$300,000	\$350,000	\$322,836	59	\$1,506	(\$184)	\$1,322	117%
\$350,000	\$400,000	\$371,048	26	\$2,212	(\$214)	\$1,999	146%
\$400,000	\$450,000	\$423,227	29	\$2,098	(\$203)	\$1,895	141%
\$450,000	\$500,000	\$475,113	21	\$2,782	(\$225)	\$2,556	165%
\$500,000	\$600,000	\$549,021	21	\$2,135	(\$230)	\$1,905	116%
\$600,000	\$700,000	\$644,138	16	\$1,812	(\$225)	\$1,586	95%
\$700,000	\$800,000	\$756,031	12	\$3,515	(\$312)	\$3,203	134%
\$800,000	\$900,000	\$872,987	3	\$1,142	(\$256)	\$887	44%
\$900,000	\$1,000,000	\$959,445	5	\$3,636	(\$362)	\$3,275	113%
\$1,000,000 plus		\$1,868,319	22	\$3,705	(\$636)	\$3,069	55%
			42,525	2.4	<== persons multiple of returns		

<u>Pre-Stelly (Single/Joint)</u>	<u>Rates</u>	<u>Post-Stelly (Single/Joint)</u>	<u>Rates</u>
\$0 - \$10,000/\$20,000	2%	\$0 - \$12,500/\$25,000	2%
\$10k/\$20k - \$50k/\$100k	4%	\$12.5k/\$25k - \$25k/\$50k	4%
\$50k/\$100k plus	6%	\$25k/\$50k plus	6%
57.5% Excess Itemized Deduction Allowed		0% Excess Itemized Deduction Allowed	
3.9% sales tax on food for home & residential utilities		0% sales tax on food for home & residential utilities	

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