

Table T03-0080
Tax Dividends and Long-Term Capital Gains at 15-Percent:
Distribution of Individual Income Tax Change by AGI Class, 2004¹

AGI Class (thousands of 2002 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ⁴	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
Less than 10	33,461	23.7	0.4	*	*	**	-9.9	-9.9
10-20	23,246	16.5	6.9	*	0.7	-7	-4.0	-4.1
20-30	18,563	13.2	13.1	0.1	1.6	-18	3.6	3.5
30-40	13,624	9.7	16.2	0.1	1.6	-26	7.0	7.0
40-50	10,550	7.5	21.4	0.1	2.4	-49	8.7	8.6
50-75	18,217	12.9	27.4	0.1	6.1	-72	10.0	9.9
75-100	9,955	7.1	36.2	0.2	6.4	-137	12.2	12.1
100-200	9,614	6.8	53.7	0.3	15.7	-348	15.9	15.6
200-500	2,299	1.6	71.0	0.6	15.9	-1,481	22.8	22.3
500-1,000	384	0.3	80.0	1.0	9.6	-5,363	27.5	26.7
More than 1,000	200	0.1	83.3	1.9	39.8	-42,443	28.7	27.3
All	141,030	100.0	17.4	0.4	100.0	-152	13.4	13.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. Baseline is current law. The rate for individuals in the 10 and 15-percent tax brackets would be 5 percent. Preferential rates would not apply to income that, under current law, is reported as dividends on tax returns but represents distributions of interest income from mutual funds.

(2) Tax units with negative AGI are excluded from the lowest income class but are included in the totals.

(3) Includes both filing and non-filing units. Tax filing units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is AGI less individual income tax net of refundable credits.

(5) Average income tax, net of refundable credits, as a percentage of average AGI.