

**Table T03-0087**  
**Senate Finance Committee's Modified Jobs and Growth Tax Act:**  
**Distribution of Income Tax Change by Percentiles, 2004<sup>1</sup>**

AGI Class <sup>2</sup>	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate <sup>4</sup>	
					Current Law	Proposal
Lowest Quintile	0.3	0.1	*	-1	-10.4	-10.5
Second Quintile	49.1	0.5	2.6	-75	-5.1	-5.6
Middle Quintile	95.5	0.9	8.6	-248	4.6	3.7
Fourth Quintile	99.1	1.0	15.7	-450	9.0	8.2
Next 10 Percent	99.7	1.6	20.6	-1,182	11.5	10.0
Next 5 Percent	99.8	1.8	15.5	-1,783	14.2	12.7
Next 4 Percent	99.8	1.6	16.5	-2,371	18.6	17.3
Top 1 Percent	95.6	1.9	20.4	-11,725	27.4	26.0
All	68.8	1.4	100.0	-575	13.4	12.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

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

(1) Calendar year. Baseline is current law. Includes the following provisions: increase child tax credit to \$1,000; increase refundability rate for additional child tax credit to 15 percent; expand size of the 10-percent bracket to \$7,000 for singles and \$14,000 for married couples, indexed for inflation after 2003; expand 15-percent bracket for married couples to twice that for singles; increase standard deduction for married couples to twice that for singles; reduce top four tax rates to 25, 28, 33, and 35 percent; increase AMT exemption by \$12,000 for married couples and \$6,000 for others; exclude from taxable income the first \$500 of qualifying dividends (\$250 for a married individual filing a separate return) and 10 percent of amounts exceeding \$500 (\$250).

(2) Tax units with negative AGI are excluded from the lowest quintile but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

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

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