

8-May-03

Preliminary Results Based on Description in JCX-44-03

Table T03-0088
Senate Finance Committee's Dividend Proposal:
Distribution of Income Tax Change by AGI Class, 2004¹

AGI Class (thousands of 2002 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ³	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate ⁴	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
Less than 10	33,461	23.7	0.3	*	0.1	**	-9.9	-9.9
10-20	23,246	16.5	6.4	*	2.6	-4	-4.0	-4.0
20-30	18,563	13.2	12.6	*	4.8	-9	3.6	3.5
30-40	13,624	9.7	14.5	*	4.5	-12	7.0	7.0
40-50	10,550	7.5	18.6	*	6.2	-21	8.7	8.7
50-75	18,217	12.9	23.3	*	12.8	-25	10.0	9.9
75-100	9,955	7.1	30.4	0.1	11.9	-43	12.2	12.2
100-200	9,614	6.8	46.7	0.1	23.7	-88	15.9	15.8
200-500	2,299	1.6	59.0	0.1	15.4	-238	22.8	22.8
500-1,000	384	0.3	64.3	0.1	5.9	-544	27.5	27.4
More than 1,000	200	0.1	66.4	0.1	12.2	-2,180	28.7	28.6
All	141,030	100.0	15.2	0.1	100.0	-25	13.4	13.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

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

(1) Calendar year. 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 income class but are included in the totals.

(3) Includes both filing and non-filing units. Tax 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.