

8-May-03

Preliminary Results Based on Description in JCX-44-03

Table T03-0089
Senate Finance Committee's Dividend Proposal:
Distribution of Income Tax Change by Percentiles, 2004¹

AGI Class ²	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income ³	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate ⁴	
					Current Law	Proposal
Lowest Quintile	*	*	*	**	-10.4	-10.4
Second Quintile	5.2	*	2.4	-3	-5.1	-5.1
Middle Quintile	13.0	*	7.5	-10	4.6	4.6
Fourth Quintile	19.8	*	16.1	-20	9.0	9.0
Next 10 Percent	27.2	0.1	14.4	-36	11.5	11.4
Next 5 Percent	42.3	0.1	13.1	-66	14.2	14.2
Next 4 Percent	52.8	0.1	21.6	-137	18.6	18.5
Top 1 Percent	62.3	0.1	24.9	-630	27.4	27.3
All	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 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.