

PRELIMINARY ESTIMATES - January 7, 2003

Table T03-0005
Democratic Stimulus Proposal:
Distribution of Income Tax Change by Percentiles, 2003¹

AGI Class ²	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	4.2	12.7	-234	-6.7	-11.3
Second Quintile	1.7	16.4	-292	-2.4	-4.1
Middle Quintile	1.2	18.9	-337	5.5	4.4
Fourth Quintile	0.8	23.1	-413	9.6	8.8
Next 10 Percent	0.7	14.0	-501	12.0	11.4
Next 5 Percent	0.5	7.2	-516	14.8	14.3
Next 4 Percent	0.3	5.8	-520	19.2	19.0
Top 1 Percent	0.1	1.5	-518	27.8	27.7
All	0.8	100.0	-357	13.9	13.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Calendar year. Individuals would receive a rebate equal to ten percent of wage and self-employment earnings up to a maximum of \$600 for married couples filing jointly and \$300 for others.

(2) Returns with negative AGI are excluded from the lowest quintile but are included in the totals. The income thresholds are (in 2001\$): second quintile, \$9,965; middle quintile, \$21,350; fourth quintile, \$37,835; next 10 percent, \$68,330; next 5 percent, \$98,054; next 4 percent, \$133,859; and top 1 percent, \$316,895.

(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.