

2-May-03

**Table T03-0019**  
**Administration Stimulus Proposal:**  
**Distribution of Individual Income Tax Change by AGI Class, 2003<sup>1</sup>**

AGI Class (thousands of 2002 dollars) <sup>2</sup>	Returns <sup>3</sup>			Percent Change in After-Tax Income <sup>4</sup>	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate <sup>5</sup>	
	Number (thousands)	Percent of Total	Percent with Tax Cut				Current Law	Proposal
<b>Less than 10</b>	32,978	23.7	0.8	*	*	-1	-9.7	-9.7
<b>10-20</b>	23,022	16.6	45.5	0.4	1.3	-57	-3.9	-4.3
<b>20-30</b>	18,524	13.3	88.1	0.8	3.6	-199	3.5	2.8
<b>30-40</b>	13,431	9.7	92.6	1.0	4.4	-336	6.9	6.0
<b>40-50</b>	10,627	7.6	95.3	1.2	5.0	-482	8.6	7.6
<b>50-75</b>	18,039	13.0	98.9	1.3	12.8	-734	9.9	8.8
<b>75-100</b>	9,518	6.8	99.9	2.2	15.5	-1,676	12.4	10.4
<b>100-200</b>	9,196	6.6	99.8	2.3	23.6	-2,646	16.1	14.1
<b>200-500</b>	2,174	1.6	99.3	2.4	11.5	-5,451	23.2	21.3
<b>500-1,000</b>	359	0.3	98.7	3.6	6.3	-18,047	28.1	25.5
<b>More than 1,000</b>	184	0.1	98.8	4.2	16.0	-89,509	29.2	26.2
<b>All</b>	138,959	100.0	64.0	1.8	100.0	-742	13.3	11.7

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

\* Less than 0.05 percent.

(1) Calendar year. Includes the following provisions: accelerate 2006 rate cuts; dividend exclusion; accelerate marriage-penalty relief; accelerate child tax credit increase; accelerate expansion of 10-percent bracket; increase AMT exemption. Estimates for the dividend exclusion portion of the proposal assume that the details of the proposal effectively limit tax-sheltering activity. That assumption may turn out to be over-optimistic and the long-run revenue cost could turn out to be much greater.

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

(3) Includes both filing and non-filing units. Returns of individuals who 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.