

2-May-03

Table T03-0023
Administration Stimulus Proposal:
Number of Returns by Size of Income Tax Cut and Individual Characteristics, 2003¹

| Income Tax Cut (\$) | All Returns ² | | Joint Returns | | Joint with Children ³ | | HOH with Children ⁴ | | Elderly ⁵ | | Business Income ⁶ | |
|----------------------|--------------------------|-------------------------|-----------------------|-------------------------|----------------------------------|-------------------------|--------------------------------|-------------------------|-----------------------|-------------------------|------------------------------|-------------------------|
| | Number (thousands) | Average Tax Cut (\$) | Number (thousands) | Average Tax Cut (\$) | Number (thousands) | Average Tax Cut (\$) | Number (thousands) | Average Tax Cut (\$) | Number (thousands) | Average Tax Cut (\$) | Number (thousands) | Average Tax Cut (\$) |
| 0 | 50,047 | 0 | 10,906 | 0 | 3,068 | 0 | 9,478 | 0 | 13,811 | 0 | 7,791 | 0 |
| 1-100 | 23,814 | -54 | 2,775 | -84 | 676 | -82 | 516 | -42 | 2,438 | -56 | 3,454 | -61 |
| 101-500 | 25,420 | -305 | 11,596 | -305 | 3,044 | -375 | 4,996 | -373 | 4,627 | -274 | 5,838 | -298 |
| 501-1,000 | 12,974 | -752 | 7,747 | -765 | 6,327 | -774 | 1,662 | -763 | 1,350 | -720 | 3,637 | -757 |
| 1,001-1,200 | 3,767 | -1,115 | 2,786 | -1,120 | 2,271 | -1,126 | 250 | -1,141 | 313 | -1,091 | 1,119 | -1,112 |
| 1,201-2,000 | 10,128 | -1,581 | 8,666 | -1,590 | 4,609 | -1,580 | 185 | -1,516 | 1,390 | -1,606 | 3,455 | -1,581 |
| 2,001-5,000 | 10,966 | -2,728 | 10,137 | -2,706 | 6,407 | -2,658 | 45 | -2,804 | 1,595 | -2,979 | 4,696 | -2,807 |
| 5,001-10,000 | 1,022 | -6,726 | 841 | -6,689 | 362 | -6,678 | 9 | -7,075 | 324 | -6,760 | 649 | -6,810 |
| 10,001-50,000 | 656 | -19,580 | 540 | -19,538 | 252 | -19,756 | 7 | -19,364 | 160 | -18,775 | 475 | -20,100 |
| Over 50,000 | 100 | -144,027 | 82 | -141,002 | 39 | -141,061 | 1 | -182,506 | 18 | -135,427 | 81 | -147,259 |
| All | 138,959 | -742 | 56,083 | -1,458 | 27,055 | -1,696 | 17,166 | -246 | 26,039 | -666 | 31,206 | -1,618 |

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

(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 refers to both filing and non-filing tax units. Returns of individuals who are dependents of other taxpayers are excluded from the analysis.

(3) Married couples with at least one dependent child living at home.

(4) Head of household units with at least one child living at home.

(5) Individuals age 65 or older; for married couples, at least one spouse is 65 or older.

(6) Tax units claiming income or loss on Schedules C, E, or F.