

Revised Estimates: January 14, 2003

Table T03-0026
Administration Stimulus Proposal:
Married Filers, Distribution of Income Tax Change by AGI Class, 2003¹

AGI Class (thousands of 2001 dollars) ²	Married Returns		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 all Returns				Current Law	Proposal
Less than 10	1,574	1.2	0.2	*	-15	-15.5	-15.8
10-20	3,644	2.7	0.4	0.2	-77	-7.9	-8.4
20-30	4,652	3.5	1.2	1.3	-317	-0.4	-1.6
30-40	4,635	3.5	1.7	2.4	-585	3.6	2.0
40-50	4,362	3.3	1.4	2.5	-640	5.9	4.5
50-75	11,411	8.5	1.4	8.7	-863	8.3	7.0
75-100	8,655	6.5	2.3	14.0	-1,824	11.5	9.5
100-200	8,669	6.5	2.3	20.8	-2,706	15.6	13.6
200-500	2,111	1.6	2.2	9.8	-5,219	22.8	21.1
500-1,000	360	0.3	3.3	5.3	-16,700	27.8	25.4
More than 1,000	193	0.1	4.0	14.9	-87,470	29.1	26.2
All	50,659	37.9	2.3	80.1	-1,783	15.6	13.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

* 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) 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.