

Revised Estimates: January 16, 2003

**Table T03-0029**  
**Administration's Dividend Proposal Plus Tax Capital Gains at Ordinary Rates :**  
**Distribution of Income Tax Change by AGI Class, 2003<sup>1</sup>**

AGI Class (thousands of 2001 dollars) <sup>2</sup>	Returns		Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate <sup>4</sup>	
	Number (thousands)	Percent of Total				Current Law	Proposal
<b>Less than 10</b>	25,755	19.2	*	-0.1	-1	-6.7	-6.8
<b>10-20</b>	23,602	17.6	*	-0.4	-5	-3.0	-3.1
<b>20-30</b>	18,644	13.9	*	-0.7	-12	3.8	3.8
<b>30-40</b>	13,534	10.1	*	-0.8	-17	7.0	7.0
<b>40-50</b>	10,307	7.7	0.1	-0.9	-26	9.0	8.9
<b>50-75</b>	17,874	13.4	0.1	-2.2	-35	10.3	10.2
<b>75-100</b>	10,224	7.6	0.1	-1.6	-46	12.3	12.2
<b>100-200</b>	9,906	7.4	0.1	-2.7	-80	16.0	16.0
<b>200-500</b>	2,395	1.8	-0.3	5.4	655	23.0	23.2
<b>500-1,000</b>	418	0.3	-1.7	12.2	8,547	27.7	28.9
<b>More than 1,000</b>	226	0.2	-5.3	91.9	119,174	28.8	32.6
<b>All</b>	133,835	100.0	-0.5	100.0	219	13.9	14.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

\* Less than 0.05 percent.

(1) Calendar year. Baseline is current law. Estimates for the dividend exclusion 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.