

Revised Estimates: January 16, 2003

Table T03-0031
Administration Stimulus Proposal Plus Tax Capital Gains at Ordinary Rates:
Distribution of Income Tax Change by AGI Class, 2003¹

AGI Class (thousands of 2001 dollars) ²	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 Total				Current Law	Proposal
Less than 10	25,755	19.2	0.0	0.1	-3	-6.7	-6.8
10-20	23,602	17.6	0.4	1.8	-57	-3.0	-3.4
20-30	18,644	13.9	0.8	4.9	-192	3.8	3.1
30-40	13,534	10.1	1.0	6.1	-328	7.0	6.1
40-50	10,307	7.7	1.1	6.4	-448	9.0	8.0
50-75	17,874	13.4	1.3	18.3	-742	10.3	9.1
75-100	10,224	7.6	2.1	23.4	-1,656	12.3	10.4
100-200	9,906	7.4	2.0	32.3	-2,362	16.0	14.3
200-500	2,395	1.8	1.5	11.1	-3,370	23.0	21.9
500-1,000	418	0.3	1.3	3.9	-6,692	27.7	26.8
More than 1,000	226	0.2	-1.2	-8.4	26,774	28.8	29.7
All	133,835	100.0	1.2	100.0	-542	13.9	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(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.