

Revised Estimates: January 17, 2003

Table T03-0035
Administration's Dividend Proposal :
Distribution of Income Tax Change by AGI Class, 2010¹

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	28,558	19.4	*	0.2	-3	-8.0	-8.1
10-20	25,545	17.4	0.1	0.7	-12	-4.2	-4.3
20-30	19,338	13.1	0.1	1.1	-26	3.4	3.3
30-40	14,425	9.8	0.1	1.5	-49	7.1	7.0
40-50	10,975	7.5	0.2	2.1	-87	9.1	9.0
50-75	18,082	12.3	0.2	5.7	-145	10.8	10.7
75-100	11,364	7.7	0.3	6.2	-252	13.0	12.7
100-200	13,861	9.4	0.6	22.6	-753	16.9	16.5
200-500	3,157	2.1	1.1	20.1	-2,940	23.4	22.6
500-1,000	531	0.4	1.2	8.8	-7,681	25.5	24.6
More than 1,000	267	0.2	1.9	30.8	-53,200	26.5	25.1
All	147,114	100.0	0.5	100.0	-313	14.5	14.0

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.