

Revised Estimates: January 17, 2003

Table T03-0037
Administration's Dividend Proposal Plus Tax Capital Gains at Ordinary Rates :
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 | * | 1.5 | -3 | -8.0 | -8.1 |
| 10-20 | 25,545 | 17.4 | 0.1 | 5.0 | -11 | -4.2 | -4.3 |
| 20-30 | 19,338 | 13.1 | 0.1 | 7.7 | -22 | 3.4 | 3.4 |
| 30-40 | 14,425 | 9.8 | 0.1 | 10.2 | -38 | 7.1 | 7.0 |
| 40-50 | 10,975 | 7.5 | 0.1 | 12.9 | -64 | 9.1 | 9.0 |
| 50-75 | 18,082 | 12.3 | 0.1 | 32.3 | -97 | 10.8 | 10.7 |
| 75-100 | 11,364 | 7.7 | 0.2 | 30.1 | -144 | 13.0 | 12.8 |
| 100-200 | 13,861 | 9.4 | 0.4 | 129.1 | -507 | 16.9 | 16.6 |
| 200-500 | 3,157 | 2.1 | 0.5 | 83.1 | -1,431 | 23.4 | 23.0 |
| 500-1,000 | 531 | 0.4 | * | 2.3 | -237 | 25.5 | 25.5 |
| More than 1,000 | 267 | 0.2 | -1.6 | -214.9 | 43,732 | 26.5 | 27.7 |
| All | 147,114 | 100.0 | 0.1 | 100.0 | -37 | 14.5 | 14.4 |

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.