

Revised Estimates: January 21, 2003

**Table T03-0040**  
**Administration Stimulus Proposal:**  
**Elderly Filers, Distribution of Income Tax Change by AGI Class, 2003<sup>1</sup>**

AGI Class (thousands of 2001 dollars) <sup>2</sup>	Elderly Returns			Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Tax Change		Average Tax Change (\$)	Average Income Tax Rate <sup>4</sup>	
	Number (thousands)	Percent of Elderly Returns	Percent of all Returns		Elderly Returns	All Returns		Current Law	Proposal
<b>Less than 10</b>	1,854	12.3	1.4	0.0	0.0	0.0	-1	-0.8	-0.8
<b>10-20</b>	3,402	22.6	2.5	0.4	1.2	0.2	-58	2.2	1.9
<b>20-30</b>	2,270	15.1	1.7	0.9	2.9	0.4	-209	5.4	4.6
<b>30-40</b>	1,301	8.6	1.0	1.1	3.0	0.4	-382	7.6	6.6
<b>40-50</b>	1,066	7.1	0.8	1.3	3.6	0.5	-552	10.2	9.0
<b>50-75</b>	2,300	15.3	1.7	1.6	12.6	1.8	-904	11.6	10.2
<b>75-100</b>	1,199	8.0	0.9	2.6	14.5	2.1	-2,002	14.1	11.9
<b>100-200</b>	1,255	8.3	0.9	3.2	27.8	4.1	-3,651	17.5	14.8
<b>200-500</b>	299	2.0	0.2	3.5	14.7	2.2	-8,151	22.9	20.2
<b>500-1,000</b>	51	0.3	0.0	3.6	5.9	0.9	-18,811	25.3	22.6
<b>More than 1,000</b>	25	0.2	0.0	4.0	13.8	2.0	-90,046	25.2	22.1
<b>All</b>	15,071	100.0	11.3	2.3	100.0	14.6	-1,095	14.7	12.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Calendar year. Returns of individuals age 65 and over; for joint returns, at least one individual is 65 or over. 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.