

Revised Estimates: January 21, 2003

Table T03-0041
Administration Stimulus Proposal:
Filers with Small Business Income, Distribution of Income Tax Change by AGI Class, 2003¹

AGI Class (thousands of 2001 dollars) ²	Returns with Small Business Income			Percent Change in After-Tax Income ³	Percent of Total Tax Change		Average Tax Change (\$)	Average Income Tax Rate ⁴	
	Number (thousands)	Percent of Small Business Returns	Percent of all Returns		Small Business Returns	All Returns		Current Law	Proposal
Less than 10	3,306	10.7	2.5	0.1	0.0	0.0	-6	-9.1	-9.2
10-20	3,672	11.9	2.7	0.4	0.4	0.2	-60	-3.9	-4.3
20-30	3,021	9.8	2.3	1.0	1.3	0.6	-241	2.3	1.4
30-40	2,691	8.7	2.0	1.2	2.0	1.0	-420	5.3	4.1
40-50	2,382	7.7	1.8	1.2	2.2	1.1	-534	7.4	6.3
50-75	5,067	16.4	3.8	1.4	7.2	3.6	-809	9.2	8.0
75-100	3,484	11.3	2.6	2.2	10.7	5.4	-1,749	12.0	10.1
100-200	4,338	14.1	3.2	2.3	21.2	10.7	-2,780	16.1	14.1
200-500	1,475	4.8	1.1	2.3	14.3	7.2	-5,511	23.1	21.3
500-1,000	323	1.0	0.2	3.3	9.6	4.9	-16,942	27.7	25.3
More than 1,000	190	0.6	0.1	4.0	30.9	15.6	-92,613	28.7	25.9
All	30,806	100.0	23.0	2.4	100.0	50.4	-1,845	18.4	16.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Calendar year. Returns of individuals claiming income or loss on Schedules C, E, or F. 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.