

Revised Estimates: January 29, 2003

Table T03-0045
Administration's Dividend Exclusion Proposal:
Distribution of Income Tax Change by AGI Class, Elderly Returns, 2003¹

AGI Class (thousands of 2001 dollars) ²	Elderly Returns		Elderly Returns with Tax Cut		Percent Change in After-Tax Income ³	Percent of Income Tax Change		Average Tax Change (\$)	Average Income Tax Rate ⁴	
	Number (thousands)	Percent of all Returns	Number (thousands)	Percent of Eld Returns		Within Class	Total		Current Law	Proposal
Less than 10	1,854	1.4	32	1.7	*	2.9	*	-1	-0.8	-0.8
10-20	3,402	2.5	724	21.3	0.2	52.3	0.4	-26	2.2	2.1
20-30	2,270	1.7	901	39.7	0.4	64.1	0.9	-89	5.4	5.1
30-40	1,301	1.0	613	47.1	0.5	56.5	1.0	-170	7.6	7.2
40-50	1,066	0.8	603	56.6	0.8	65.7	1.6	-325	10.2	9.5
50-75	2,300	1.7	1,276	55.5	0.6	57.2	3.9	-366	11.6	11.1
75-100	1,199	0.9	807	67.3	0.8	47.0	3.4	-604	14.1	13.5
100-200	1,255	0.9	1,004	80.0	1.5	46.0	9.8	-1,663	17.5	16.3
200-500	299	0.2	270	90.3	2.1	35.1	6.9	-4,974	22.9	21.3
500-1,000	51	*	49	94.9	2.1	29.3	2.6	-10,812	25.3	23.8
More than 1,000	25	*	25	97.7	2.3	21.0	6.2	-51,908	25.2	23.4
All	15,071	11.3	6,304	41.8	1.1	36.8	36.8	-522	14.7	13.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

* Less than 0.05 percent.

- (1) Calendar year. Baseline is current law. Returns of individuals age 65 and over; for joint returns, at least one individual is 65 or over.
- (2) Returns with negative AGI are excluded from the lowest income class but are included in the totals.
- (4) After-tax income is AGI adjusted for income excluded by the proposal, less individual income tax net of refundable credits.
- (5) Average income tax, net of refundable credits, as a percentage of average AGI adjusted for income excluded by the proposal.