

Table T03-0101
Jobs and Growth Tax Relief Reconciliation Act of 2003 as Passed by the Senate:
Distribution of Income Tax Change by Percentiles, 2004¹

AGI Class ²	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income ³	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate ⁴	
					Current Law	Proposal
Lowest Quintile	0.2	0.1	*	-1	-10.4	-10.5
Second Quintile	49.1	0.5	2.3	-79	-5.1	-5.6
Middle Quintile	95.5	1.0	7.8	-261	4.6	3.7
Fourth Quintile	99.1	1.1	14.6	-492	9.0	8.1
Next 10 Percent	99.7	1.8	19.1	-1,286	11.5	9.9
Next 5 Percent	99.8	2.0	14.8	-1,999	14.2	12.5
Next 4 Percent	99.8	2.0	17.7	-2,977	18.6	17.0
Top 1 Percent	95.6	2.6	23.6	-15,932	27.4	25.5
All	68.7	1.6	100.0	-674	13.4	12.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. Baseline is current law. Includes the following provisions: increase child tax credit to \$1,000; increase refundability rate for additional child tax credit to 15 percent; expand size of the 10-percent bracket to \$7,000 for singles and \$14,000 for married couples, indexed for inflation after 2003; expand width of the 15-percent bracket for married couples to twice that for singles; increase standard deduction for married couples to twice that for singles; reduce top four tax rates to 25, 28, 33, and 35 percent; increase AMT exemption by \$12,000 for married couples and \$6,000 for others; exclude 100 percent of dividend income from taxable income (would not apply to income that is currently reported on tax returns as dividends but represents distributions of interest income from mutual funds). The amount of the exclusion would be included in adjusted gross income.

(2) Tax units with negative AGI are excluded from the lowest quintile but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(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.