

3-Mar-03

Table T03-0065
Accelerate EITC Marriage-Penalty Relief
Distribution of Income Tax Change by Percentiles, 2003¹

AGI Class ²	Returns with Tax Cut (thousands)	Percent Change in After-Tax Income ³	Percent of Total Income Tax Change	Average Tax Change (\$)		Average Income Tax Rate ⁴	
				All Returns	Returns with Tax Cut	Current Law	Proposal
Lowest Quintile	78	0.0	1.1	-1	-182	-6.7	-6.8
Second Quintile	1,304	0.1	33.6	-16	-326	-2.4	-2.5
Middle Quintile	2,307	0.1	64.5	-31	-354	5.5	5.4
Fourth Quintile	0	0.0	0.0	0	0	9.6	9.6
Next 10 Percent	0	0.0	0.0	0	0	12.0	12.0
Next 5 Percent	0	0.0	0.0	0	0	14.8	14.8
Next 4 Percent	0	0.0	0.0	0	0	19.2	19.2
Top 1 Percent	0	0.0	0.0	0	0	27.8	27.8
All	3,719	0.0	100.0	-9	-340	13.9	13.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Calendar year. The \$3,000 addition to the EITC plateau for married couples currently scheduled for 2008 would take effect in 2003. Baseline is current law.

(2) Returns with negative AGI are excluded from the lowest quintile but are included in the totals. The income thresholds are (in 2001\$): second quintile, \$9,965; middle quintile, \$21,350; fourth quintile, \$37,835; next 10 percent, \$68,330; next 5 percent, \$98,054; next 4 percent, \$133,859; and top 1 percent, \$316,895.

(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.