

11-Jun-03

Preliminary Results
Based on Committee on Ways and Means Summary

<http://www.taxpolicycenter.org>

Table T03-0162
The All-American Tax Relief Act of 2003, H.R. 1308:
Distribution of Income Tax Change by Percentiles, 2005¹

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	-10.6	-10.7
Second Quintile	6.9	0.1	3.2	-18	-5.9	-6.0
Middle Quintile	25.3	0.4	19.0	-104	3.8	3.4
Fourth Quintile	29.5	0.3	27.0	-148	8.7	8.4
Next 10 Percent	35.7	0.3	18.7	-191	10.7	10.4
Next 5 Percent	37.6	0.3	14.9	-278	13.3	13.1
Next 4 Percent	27.8	0.3	16.9	-368	17.7	17.5
Top 1 Percent	0.0	0.0	0.0	0	25.1	25.1
All	19.4	0.2	100.0	-107	12.9	12.7

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 the child tax credit phaseout threshold from \$110,000 to \$150,000 for married couples filing jointly and from \$55,000 to \$75,000 for married individuals filing a separate return; increase the child tax credit amount from \$700 to \$1,000.

(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.