

**Table T03-0126**  
**Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003:**  
**Distribution of Income Tax Change by Percentiles, 2006<sup>1</sup>**

AGI Class <sup>2</sup>	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate <sup>4</sup>	
					Current Law	Proposal
Lowest Quintile	*	*	*	**	-10.7	-10.7
Second Quintile	5.7	*	0.7	-6	-5.3	-5.3
Middle Quintile	13.7	0.1	2.7	-22	4.7	4.6
Fourth Quintile	23.4	0.1	6.8	-55	9.2	9.1
Next 10 Percent	34.1	0.2	7.9	-127	11.6	11.4
Next 5 Percent	48.2	0.2	7.6	-245	14.4	14.2
Next 4 Percent	62.6	0.4	17.0	-689	19.2	18.9
Top 1 Percent	78.8	1.3	57.3	-9,264	26.2	25.2
All	17.7	0.4	100.0	-162	13.5	13.2

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: reduce the tax rate on qualifying dividends and long-term capital gains to 15 percent (the rate for individuals in the 10 and 15-percent tax brackets would be 5 percent; preferential rates would not apply to income that, under current law, is reported as dividends on tax returns but represents distributions of interest income from mutual funds).

(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.