

Table T03-0130
Combined Effect of EGTRRA and Conference Agreement on Jobs and Growth Tax Relief
Reconciliation Act of 2003: Distribution of Income Tax Change by Percentiles, 2006¹

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	
					Pre-EGTRRA	Proposal
Lowest Quintile	0.4	0.1	*	-2	-10.6	-10.7
Second Quintile	74.7	1.7	4.8	-256	-3.6	-5.3
Middle Quintile	98.8	2.0	10.6	-566	6.5	4.6
Fourth Quintile	99.0	1.7	15.8	-839	10.6	9.1
Next 10 Percent	98.1	2.1	15.4	-1,643	13.3	11.4
Next 5 Percent	97.0	2.1	10.3	-2,189	16.0	14.2
Next 4 Percent	91.8	1.6	9.9	-2,627	20.2	18.9
Top 1 Percent	97.7	5.2	33.1	-35,238	28.9	25.2
All	73.9	2.4	100.0	-1,065	15.2	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 pre-EGTRRA law. Includes provisions affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT; the personal exemption phaseout (PEP); the limitation on itemized deductions (Pease); the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends.

Excludes pension and IRA provisions, and phaseout of the estate tax.

(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.