

11-Jun-03

Preliminary Results
Based on Committee on Ways and Means Summary

<http://www.taxpolicycenter.org>

Table T03-0160
The All-American Tax Relief Act of 2003, H.R. 1308:
Distribution of Income Tax Change by Percentiles, 2003¹

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	*	0.3	**	-10.2	-10.2
Second Quintile	17.9	0.2	21.2	-35	-5.2	-5.5
Middle Quintile	7.1	0.1	20.3	-33	3.6	3.5
Fourth Quintile	0.5	*	1.5	-2	7.9	7.9
Next 10 Percent	0.1	*	0.3	-1	9.8	9.8
Next 5 Percent	18.9	0.1	14.1	-92	12.3	12.2
Next 4 Percent	28.9	0.2	42.2	-344	16.9	16.7
Top 1 Percent	0.0	0.0	0.0	0	25.2	25.2
All	7.3	0.1	100.0	-33	11.8	11.7

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 refundability rate for the additional child tax credit from 10 percent to 15 percent.

(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.