

Revised Estimates: January 30, 2003

Table T03-0055
Tax Dividends at Long-Term Capital Gains Rates:
Distribution of Income Tax Change by Percentiles, 2003¹

AGI Class ²	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	*	*	**	-6.7	-6.7
Second Quintile	*	0.5	-1	-2.4	-2.4
Middle Quintile	*	2.1	-6	5.5	5.5
Fourth Quintile	*	6.9	-20	9.6	9.5
Next 10 Percent	0.1	7.8	-45	12.0	11.9
Next 5 Percent	0.1	9.3	-107	14.8	14.7
Next 4 Percent	0.2	23.3	-334	19.2	19.1
Top 1 Percent	0.4	50.2	-2,880	27.8	27.5
All	0.1	100.0	-57	13.9	13.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. 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) 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.