

Revised Estimates: January 30, 2003

Table T03-0056
Tax Dividends at Long-Term Capital Gains Rates:
Distribution of Income Tax Change by AGI Class, Elderly Returns, 2003¹

| AGI Class (thousands of 2001 dollars) ² | Elderly Returns | | Percent Change in After-Tax Income ³ | Percent of Income Tax Change | | Average Tax Change (\$) | Average Income Tax Rate ⁴ | |
|---|-----------------------|---------------------------|---|------------------------------|-------|----------------------------|--------------------------------------|----------|
| | Number (thousands) | Percent of all Returns | | Within Class | Total | | Current Law | Proposal |
| Less than 10 | 1,854 | 1.4 | * | N/A | * | ** | -0.8 | -0.8 |
| 10-20 | 3,402 | 2.5 | * | 39.1 | 0.1 | -3 | 2.2 | 2.2 |
| 20-30 | 2,270 | 1.7 | 0.1 | 60.9 | 0.7 | -22 | 5.4 | 5.3 |
| 30-40 | 1,301 | 1.0 | 0.1 | 53.8 | 0.8 | -50 | 7.6 | 7.5 |
| 40-50 | 1,066 | 0.8 | 0.2 | 61.1 | 1.2 | -85 | 10.2 | 10.0 |
| 50-75 | 2,300 | 1.7 | 0.2 | 58.2 | 3.6 | -119 | 11.6 | 11.5 |
| 75-100 | 1,199 | 0.9 | 0.3 | 48.6 | 3.3 | -209 | 14.1 | 13.9 |
| 100-200 | 1,255 | 0.9 | 0.5 | 48.5 | 9.9 | -606 | 17.5 | 17.0 |
| 200-500 | 299 | 0.2 | 0.8 | 35.8 | 7.2 | -1,855 | 22.9 | 22.3 |
| 500-1,000 | 51 | * | 0.9 | 29.7 | 3.3 | -4,864 | 25.3 | 24.6 |
| More than 1,000 | 25 | * | 1.0 | 24.5 | 7.5 | -22,817 | 25.2 | 24.4 |
| All | 15,071 | 11.3 | 0.4 | 37.5 | 37.5 | -191 | 14.7 | 14.4 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

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

(1) Calendar year. Baseline is current law. Returns of individuals age 65 and over; for joint returns, at least one individual is 65 or over. 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 income class but are included in the totals.

(4) After-tax income is AGI less individual income tax net of refundable credits.

(5) Average income tax, net of refundable credits, as a percentage of average AGI.