

7-May-03

Updated Results Based on Description in JCX-40-03

Table T03-0081
Tax Dividends and Long-Term Capital Gains at 15 Percent:
Distribution of Individual Income Tax Change by Percentiles, 2004¹

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	*	*	*	**	-10.4	-10.4
Second Quintile	5.7	*	0.7	-5	-5.1	-5.1
Middle Quintile	13.7	0.1	2.6	-20	4.6	4.5
Fourth Quintile	22.8	0.1	6.7	-51	9.0	8.9
Next 10 Percent	32.8	0.2	7.6	-115	11.5	11.3
Next 5 Percent	48.0	0.2	7.6	-229	14.2	14.0
Next 4 Percent	61.8	0.4	16.8	-637	18.6	18.2
Top 1 Percent	77.1	1.4	58.0	-8,787	27.4	26.4
All	17.4	0.4	100.0	-152	13.4	13.1

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. 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.