

Table T03-0176
5.25 Percent Surtax:
Distribution of Income Tax Change by Percentiles, 2004¹

AGI Class ²	Percent of Tax Units with Tax Change	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	*	*	*	**	-10.5	-10.5
Second Quintile	45.3	-0.1	0.9	15	-5.4	-5.2
Middle Quintile	75.6	-0.3	4.9	80	3.8	4.1
Fourth Quintile	94.0	-0.5	13.7	222	8.1	8.6
Next 10 Percent	99.2	-0.6	13.2	429	10.0	10.5
Next 5 Percent	99.7	-0.8	11.7	755	12.6	13.2
Next 4 Percent	99.9	-1.1	20.7	1,673	17.1	18.0
Top 1 Percent	99.8	-1.8	34.8	11,273	25.1	26.4
All	62.9	-0.8	100.0	324	12.0	12.7

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. Surtax would be applied to income tax after refundable and nonrefundable credits, if positive.

(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.