

Table T03-0184
Top Bracket of 39.6 Percent on Taxable Income Over \$1,000,000:
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	0.0	0.0	0.0	0	-10.5	-10.5
Second Quintile	0.0	0.0	0.0	0	-5.4	-5.4
Middle Quintile	0.0	0.0	0.0	0	3.8	3.8
Fourth Quintile	0.0	0.0	0.0	0	8.1	8.1
Next 10 Percent	0.0	0.0	0.0	0	10.0	10.0
Next 5 Percent	0.0	0.0	0.0	0	12.6	12.6
Next 4 Percent	0.0	0.0	0.0	0	17.1	17.1
Top 1 Percent	9.9	-1.2	100.0	7,419	25.1	26.0
All	0.1	-0.2	100.0	74	12.0	12.2

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. Top rate of 39.6 percent would apply to taxable income of more than \$1,000,000 for singles, married couples filing a joint return, and heads of household; the bracket threshold for married individuals filing a separate return would be \$500,000.

(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.