

Revised Estimates: January 20, 2003

**Table T03-0039**  
**Administration Stimulus Proposal:**  
**Distribution of Income Tax Change by Tax Bracket, 2003<sup>1</sup>**

Current-Law Tax Bracket (Percent)	Returns		Average Adjusted Gross Income (\$)	Percent Change in After-Tax Income <sup>4</sup>	Percent of Total Income Tax Change	Average Tax Change (\$)	Average Income Tax Rate <sup>5</sup>	
	Number (thousands)	Percent of Total					Current Law	Proposal
<b>0<sup>2</sup></b>	24,586	18.4	4,185	0.2	0.2	-11	-24.3	-24.6
<b>10</b>	24,020	17.9	15,563	0.8	2.8	-131	-2.8	-3.6
<b>15</b>	45,741	34.2	35,896	1.0	12.9	-319	6.6	5.7
<b>27</b>	30,515	22.8	78,307	1.9	34.6	-1,279	13.1	11.5
<b>30</b>	3,856	2.9	141,326	2.3	9.1	-2,656	18.5	16.6
<b>35</b>	1,195	0.9	252,675	2.5	5.2	-4,936	22.7	20.7
<b>38.6</b>	928	0.7	1,086,729	4.0	25.4	-30,827	29.6	26.7
<b>AMT<sup>3</sup></b>	2,994	2.2	225,512	2.0	9.7	-3,671	18.7	17.1
<b>All</b>	133,835	100.0	52,595	1.9	100.0	-843	13.9	12.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Calendar year. Includes the following provisions: accelerate 2006 rate cuts; dividend exclusion; accelerate marriage-penalty relief; accelerate child tax credit increase; accelerate expansion of 10-percent bracket; increase AMT exemption. Estimates for the dividend exclusion portion of the proposal assume that the details of the proposal effectively limit tax-sheltering activity. That assumption may turn out to be over-optimistic and the long-run revenue cost could turn out to be much greater.

(2) Returns with zero taxable income.

(3) Includes returns with direct AMT liability from Form 6251 and those with lost credits.

(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.