

2-May-03

Table T03-0024
Administration Stimulus Proposal:
Percent of Returns by Size of Income Tax Cut and Individual Characteristics, 2003¹

Income Tax Cut (\$)	All Returns ²		Joint Returns		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Percent of Total	Average Tax Cut (\$)	Percent of Total	Average Tax Cut (\$)	Percent of Total	Average Tax Cut (\$)	Percent of Total	Average Tax Cut (\$)	Percent of Total	Average Tax Cut (\$)	Percent of Total	Average Tax Cut (\$)
0	36.0	0	19.4	0	11.3	0	55.2	0	53.0	0	25.0	0
1-100	17.1	-54	4.9	-84	2.5	-82	3.0	-42	9.4	-56	11.1	-61
101-500	18.3	-305	20.7	-305	11.3	-375	29.1	-373	17.8	-274	18.7	-298
501-1,000	9.3	-752	13.8	-765	23.4	-774	9.7	-763	5.2	-720	11.7	-757
1,001-1,200	2.7	-1,115	5.0	-1,120	8.4	-1,126	1.5	-1,141	1.2	-1,091	3.6	-1,112
1,201-2,000	7.3	-1,581	15.5	-1,590	17.0	-1,580	1.1	-1,516	5.3	-1,606	11.1	-1,581
2,001-5,000	7.9	-2,728	18.1	-2,706	23.7	-2,658	0.3	-2,804	6.1	-2,979	15.0	-2,807
5,001-10,000	0.7	-6,726	1.5	-6,689	1.3	-6,678	0.1	-7,075	1.2	-6,760	2.1	-6,810
10,001-50,000	0.5	-19,580	1.0	-19,538	0.9	-19,756	0.0	-19,364	0.6	-18,775	1.5	-20,100
Over 50,000	0.1	-144,027	0.1	-141,002	0.1	-141,061	0.0	-182,506	0.1	-135,427	0.3	-147,259
All	100.0	-742	100.0	-1,458	100.0	-1,696	100.0	-246	100.0	-666	100.0	-1,618

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0503-1).

(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 refers to both filing and non-filing tax units. Returns of individuals who are dependents of other taxpayers are excluded from the analysis.

(3) Married couples with at least one dependent child living at home.

(4) Head of household units with at least one child living at home.

(5) Individuals age 65 or older; for married couples, at least one spouse is 65 or older.

(6) Tax units claiming income or loss on Schedules C, E, or F.