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The Distribution of the 2001-2006 Tax Cuts: Updated Projections, November 2006

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Since 2001 Congress has passed a major tax bill almost every year. Most have reduced taxes significantly and, since they were not accompanied by spending cuts, the resulting deficits have also increased the national debt. The largest was the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), which had a ten-year revenue loss of \$1.35 trillion. The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) cut taxes by another \$350 billion. Subsequent legislation cut taxes by another \$146 billion in 2004 (WFTRA) and \$142 billion in 2006 (TIPRA and PPA).¹ The tax cuts total approximately \$2 trillion over ten years, and that total may be vastly understated if some or all of the tax cuts are extended beyond their scheduled expiration at the end of 2010.² As Congress considers whether to extend the tax cuts, pare them back, or simply allow them to expire as scheduled, an important consideration is how the benefits of the tax cuts are distributed as well as how tax burdens would be altered when options to finance the resulting deficits are considered.

The long-term effect of the 2001-2006 tax cuts on the distribution of income will depend on how they are paid for, but their immediate effect has been skewed in favor of those with high incomes. In 2006, for example, the tax cuts are equivalent to 2.5 percent of after-tax income for the middle quintile of the income distribution compared with 4.1 percent of income for those in the top quintile. Households in the bottom quintile receive a benefit of 0.3 percent of income. For taxpayers in the top one percent, the benefits are scheduled to increase even more as additional cuts – primarily to the estate tax – phase in between now and 2010. Compared to pre-EGTRRA law, taxpayers in the top one percent will enjoy a 5.4 percent increase in after-tax income in 2006 and a 6.7 percent increase in 2010.

Over the long-term, tax cuts must be financed through spending cuts, other tax increases, or a combination of the two. The financing approach chosen will significantly affect the ultimate distributional impact of the cuts. For example, if the revenue loss from the 2001-2006 tax cuts is offset by an additional tax levied in proportion to cash income, taxpayers in the bottom four quintiles will all face a drop in after-tax income in 2010. Taxpayers in the lowest quintile will suffer a 2 percent drop in after-tax income while taxpayers in the top quintile will see a 0.4

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¹ WFTRA is the Working Families Tax Relief Act of 2004; TIPRA is the Tax Increase Prevention Reconciliation Act of 2005; and PPA is the Pension Protection Act of 2006.

² For an analysis of the cost of making the tax cuts permanent, see Auerbach, Gale, and Orszag (2006).

percent increase. Taxpayers in the top one percent will see a 3.3 percent increase in after-tax income.

This review presents a brief summary of the major provisions of the tax cuts, traditional distribution tables for the tax cuts by cash income class and cash income percentile, the distribution of tax units by the size of tax cuts and individual characteristics, and distribution tables for the tax cuts by cash income class and cash income percentile for three different illustrative financing options.³

Summary of the Laws⁴

In May 2001, Congress passed the Economic Growth and Tax Relief Reconciliation Act (EGTRRA), sweeping legislation that reduced individual income tax rates; gradually phased out the estate tax; doubled the child tax credit and made it partially refundable; reduced marriage penalties (and increased marriage bonuses); enhanced the child and dependent care credit; increased contribution limits on tax-deferred retirement savings vehicles, such as IRAs and 401(k)s; expanded credits and deductions for education-related expenses; and temporarily increased the alternative minimum tax (AMT) exemption. To keep the official 10-year cost estimate of the legislation to \$1.35 trillion, Congress phased in many provisions over several years and allowed the entire bill to “sunset,” or expire, at the end of 2010.

Two years later, Congress passed the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA), which accelerated the individual tax rate reductions in EGTRRA that were not scheduled to take full effect until 2006. It also sped up other major provisions in EGTRRA, such as the increased child credit and some marriage-penalty relief provisions. In addition, the legislation reduced the tax rate on most long-term capital gains and applied the capital gains rates to dividends, which had previously been treated as ordinary income. Again, to keep the official 10-year cost of the bill to \$350 billion, the legislation resorted to extensive use of sunsets. The capital gains and dividend provisions, for example, were set to expire at the end of 2008.

The Working Families Tax Relief Act of 2004 (WFTRA) extended temporarily some of the provisions in EGTRRA and JGTRRA, such as the increased child credit, the new 10-percent bracket, some of the marriage-penalty relief provisions, and an increase in the AMT exemption. WFTRA accelerated an increase in the partial refundability of the child tax credit. The official 10-year cost of the bill is \$146 billion.

In May 2006, Congress passed the Tax Increase Prevention Reconciliation Act of 2005 (TIPRA), which extended through the end of 2010 the reduced rates on capital gains and

³ Estimates in this paper have been produced by a recently updated version of the Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1); tables are available at <http://www.taxpolicycenter.org/TaxModel/tmdb/TMTemplate.cfm>. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>. A tax unit is an individual, or a married couple who file a tax return jointly, along with all dependents of that individual or married couple. A tax unit is therefore different than a family or a household in certain situations. For example, two persons cohabiting would be considered one household but if they were not legally married, they would file separate tax returns and thus be considered two tax units.

⁴ This section draws heavily on Tax Policy Center (2006).

dividends originally enacted by JGTRRA; increased the AMT exemption level but only for 2006; eliminated the income limitation on converting traditional IRAs to Roth IRAs beginning in 2010, effectively doing away with the income cap for Roth IRA contributions; and extended the increased expensing allowance for businesses.

Later in 2006, Congress passed the Pension Protection Act of 2006 (PPA), the first legislation that makes some EGTRRA provisions permanent. These include the higher contribution limits on pensions and IRAs, as well as the saver's credit—a progressive nonrefundable tax credit for contributions to IRAs and 401(k)-type plans made by lower- and moderate-income taxpayers. Under EGTRRA, the saver's credit was set to expire after 2006, but it is now permanent.

Distributional Consequences

Combined, the 2001-2006 tax cuts reduce tax liability for 72 percent of all tax units in 2006.⁵ **Tables 1-5** provide the distribution of federal tax change by cash income class for the years 2006-2010.⁶ The tables compare current-law tax burdens with those that would have applied under pre-EGTRRA law. **Table 6** shows a similar comparison for 2011 assuming that all tax provisions scheduled to sunset in 2010 are extended. **Tables 7-12** repeat the same distributional information tabulated by cash income percentiles instead of dollar income classes.

The effect of the tax cuts varies by income class, with the share of tax units receiving a tax cut rising rapidly with income for low-income households. Only 3.2 percent of tax units with incomes under \$10,000 receive a tax cut in 2006 whereas 46 percent of those with incomes between \$10,000 and \$20,000, 77 percent of those with incomes between \$20,000 and \$30,000, and 87 percent of those with incomes between \$30,000 and \$40,000 will get one (Table 1). More than 90 percent of tax units in all other classes will receive a tax cut, including more than 99 percent of all tax units with incomes above \$75,000. By percentiles, 12 percent of tax units in the lowest quintile receive a tax cut compared to 65 percent of tax units in the second quintile and 99 percent in the top quintile (Table 7). Tax units in the bottom quintile receive little or no benefit because most do not owe income tax and the refundable child credit, which does help those with no income tax liability, only applies to those with earnings above \$11,300 in 2006 (a threshold that is indexed for inflation).

Our preferred measure of the distributional impact of tax changes is the percentage change in after-tax income. After-tax income represents the current economic resources that households have available to consume or to save. A tax change that provides the same percentage increase in after-tax income to all households is neutral with respect to the overall distribution of current economic resources. In contrast, one that provides a greater percentage

⁵ For 0.2 percent of tax units the cuts actually result in a tax increase. The primary causes for the tax increases are a decrease in the present value of future tax benefits from tax-preferred savings vehicles, the switch from modified AGI to AGI in the calculation of the earned income tax credit, and the increased penalty on married individuals filing separately who pay the alternative minimum tax.

⁶ Income classes are in constant 2006 dollars; the average federal tax change is reported in current dollars.

increase to higher-income households is regressive; it widens the inequality in after-tax incomes.⁷

The 2001-6 tax cuts are regressive. In 2006, taxpayers in the middle quintile of the income distribution receive an average 2.5 percent increase in after-tax income (\$744) whereas taxpayers in the top quintile enjoy an average 4.1 percent increase (\$5,790) (Table 7).⁸ Tax units in the bottom quintile receive only a 0.3 percent average increase (\$20). Those at the very top of the income scale, the top one-tenth of one percent of earners, receive the largest cuts of all – an average of 6.2 percent of after-tax income or \$230,136. In terms of income classes, tax units with less than \$10,000 in income will, on average, receive an increase in after-tax income of only 0.1 percent (\$4) (Table 1). Tax units making between \$20,000 and \$75,000 all receive about the same 2.5 percent increase in after-tax income. Tax units with incomes above \$1 million receive a substantially larger tax cut, with a 6.0 percent average increase in after-tax income (\$118,477).

The continual changes in the tax code between 2006 and 2010 are reflected in the distributional tables for the coming years. The temporary alternative minimum tax relief currently in place will expire at the end of 2006. If it is not extended, millions of taxpayers currently on the cusp between the regular income tax and the AMT will be thrown onto the AMT next year. As a result they will receive much smaller tax cuts in 2007 compared to 2006. The average tax cut for all tax units will drop from \$1,628 to \$1,396, with income classes containing the majority of new AMT payers experiencing particularly large drops: from \$1,964 to \$1,651 for taxpayers earning between \$75,000 and \$100,000, from \$3,729 to \$2,520 for taxpayers earning between \$100,000 and \$200,000, and from \$7,730 to \$4,527 for taxpayers earning between \$200,000 and \$500,000 (Table 2). Although taxpayers earning between \$100,000 and \$200,000 receive 25 percent of the benefits of the tax cuts in 2006, they will receive only 20 percent of the benefits in 2007. Taxpayers earning between \$200,000 and \$500,000 receive 14 percent of the benefits in 2006 but only 10 percent of the benefits in 2007. As the AMT relief expires, the burden of federal taxes will increasingly shift to these upper-middle income and higher-income tax units and away from low-income tax units and those at the very top of the income scale.⁹ In 2007, compared to pre-EGTRRA law, tax units earning between \$100,000 and \$200,000 will see a 0.4 percentage point increase in their share of the overall federal tax burden; the increase is 0.6 points for tax units with incomes of \$200,000 to \$500,000. Barring an extension of AMT relief, the average federal tax rates for these income classes will rise from 22.5 and 25.6 percent in 2006 to 23.4 and 26.7 percent in 2007.

In 2010, several provisions targeted to high-income households become fully phased-in. These include repeal of the estate tax and repeal of the limitations on itemized deductions and personal exemptions. As a result, the average tax cut for all tax units will increase from 2.8 percent of after-tax income (\$1,487) in 2009 to 3.0 percent (\$1,686) in 2010 (Tables 4 and 5). These changes – along with continued growth in the alternative minimum tax, which will reduce the benefits for the upper-middle class – will further redistribute the benefits of the tax cuts to the

⁷ See the appendix for a more complete description of the various metrics that are used to measure the impact of tax changes.

⁸ For the dollar value of these percentile breaks, see <http://www.taxpolicycenter.org/T06-0000>.

⁹ Ironically, those with very high income are much less likely to be subject to the AMT than those with moderately high incomes. See Leiserson and Rohaly (2006).

very top of the income distribution. In 2009, 22 percent of the benefits of the tax cuts will accrue to those earning more than \$1 million but in 2010 this share will rise to 26 percent. Overall, the tax cuts decrease very-high-income households' share of the overall federal tax burden by 0.5 percentage points in 2009, and by 0.9 points in 2010 (when the estate tax is repealed). The average federal tax rate for tax units with incomes between \$500,000 and \$1 million will decrease from 27.4 percent to 26.5 percent, falling below the average rate of 26.6 percent for tax units with incomes between \$200,000 and \$500,000. Compared to pre-EGTRRA law, the percentage change in after-tax income for those with incomes between \$500,000 and \$1 million will rise from 5 percent in 2009 to 6 percent in 2010; for tax units with incomes over \$1 million, it will rise from 6 percent in 2009 to 8 percent in 2010. Put differently, the top one percent will receive tax cuts worth 6 percent of income in 2009 and 7 percent in 2010; after-tax incomes of the top one-tenth of one percent will increase by 7 percent in 2009 and 8 percent in 2010 (Tables 10 and 11). The share of the total tax cut received by the top one percent will rise from 32 percent in 2009 to 37 percent in 2010.

Though all of the tax cuts implemented in EGTRRA and JGTRRA were originally scheduled to sunset by the end of 2010 (with some provisions expiring even earlier), subsequent legislation has made many of the retirement savings provisions permanent. Debate over extending other provisions remains contentious. The distributional impacts of the cuts in 2011, assuming all provisions are made permanent, are not substantially different than for 2010 (Tables 5 and 6).

Distribution by Size of Tax Cut

The 2001-2006 legislation provided for tax cuts of widely varying sizes to households with different economic and demographic characteristics. **Tables 13-18** provide the distribution of tax units and the average size of their income tax reduction by size of the tax cut and individual characteristics for the years 2006 to 2011.¹⁰ **Tables 19-24** provide the same distributional information tabulating the percent of tax units instead of the raw number. These tables include only individual income tax cuts and exclude other provisions such as repeal of the estate tax.

In 2006, 41 million tax units – representing just under 28 percent of all tax units – experience no change in tax liability as a result of the tax cuts, the majority of which are single filers or elderly tax units. As a result of the expansion of the child tax credit in the 2001-2006 legislation, the size of the tax cut depends greatly on the presence or absence of children at home. Overall, just 5.4 percent of married couples with children experience no change in their tax liability in 2006 compared to 37 percent of single filers and 57 percent of elderly tax units (Table 19). In 2006, 51 percent of joint filers receive a tax cut of \$1,500 or more while 75 percent of joint filers with children receive a tax cut at least that large. In contrast, more than 88 percent of elderly tax units receive a tax cut under \$1,500.

¹⁰ Dollar tax cut classes are reported in current dollars.

The 2001-6 tax cuts are often championed as providing significant relief to small business owners.¹¹ In fact, for 2006, almost 19 percent of tax units that report business income on their tax returns received no reduction in income taxes, and the median income tax cut for such tax units was \$1,132. The average reduction of \$3,328 for all those with business income is significantly higher than the overall average, but that is because a small number of very high income tax units with business income receive extremely large tax cuts.¹²

In 2007, if the temporary AMT relief expires as scheduled, it will hit married couples with children particularly hard since the tax treats personal exemptions for dependents as preference items. As a result, the affected tax units will see the size of their tax cut decrease sharply. In 2006, more than 10 percent of joint filers with children receive a tax cut in excess of \$5,000. In 2007 that share will fall to 3 percent (Table 20). In 2006, 56 percent receive a tax cut in excess of \$2,000. In 2007 that share will fall to 35 percent.

Financing the Tax Cuts

Over the long-term, the tax cuts must be offset by lower spending, higher revenues, or both. **Tables 25-30** present distributional statistics for three stylized approaches to financing the tax cuts for the year 2010 when the cuts are fully phased in under current law.¹³ In the first approach, the tax cuts are financed by levying an additional lump-sum tax on all tax units. Lump-sum financing simulates the distribution of the combined changes in tax and spending if the tax cuts were to be financed by a reduction in government expenditures that affected all tax units equally. The second approach finances the tax cuts by levying an additional tax on all tax units in proportion to income. Lastly, financing could be done in proportion to current income tax liability. This approach simulates a policy that reduces the deficit primarily through a form of income-tax surcharge that would affect high-income tax units the most.

If the tax cuts were financed by a lump-sum assessment, the combined impact would be even more regressive than it appears in the distribution tables ignoring financing. The bottom quintile would suffer a 19 percent drop in after-tax income, the second quintile a 6 percent drop, the middle quintile a 3 percent drop, and the fourth quintile a 1 percent drop (Table 28). The top quintile would enjoy a 3 percent increase in after-tax income and the top one percent a 7 percent increase. More than 95 percent of all taxpayers with incomes below \$30,000 would experience a tax increase, more than 80 percent of tax units with incomes between \$30,000 and \$75,000 would experience a tax increase, and more than half of tax units with incomes between \$75,000 and \$100,000 would experience a tax increase. More than 90 percent of tax units with incomes over \$500,000, however, would still receive a tax cut.

¹¹ See, for example, President Bush's remarks to the Small Business Week Conference, April 13, 2006, <http://www.whitehouse.gov/news/releases/2006/04/20060413-2.html> or Treasury Secretary Snow's comments to the Chamber of Commerce, Small Business Summit, May 12, 2006, <http://www.ustreas.gov/press/releases/js4256.htm>.

¹² In addition, many of the tax returns that report business income are not small businesses as most people conceive them. For example, high-income taxpayers who are employed but receive consulting income, speaking fees, or compensation for serving on a board of directors may report that as business income.

¹³ These estimates are static and assume that the full value of the cuts must be financed. The effects of financing choices on the economy are discussed in Burman (2006). He points out that evidence shows that tax cuts do not pay for themselves and that the financing options most likely to spur growth would also be most regressive.

Financing the tax cuts with an additional tax levy proportional to income also yields a regressive result, albeit one less extreme than in the lump-sum case. Since the tax code is currently progressive, an additional flat income tax on its own would be less progressive than the current tax code but substantially more progressive than the lump sum expenditure reductions. Under such a financing system, it remains the case that the only tax units that gain on average are tax units in the top quintile. At the extremes of the distribution, however, the changes in after-tax income are much smaller than in the lump-sum case. Tax units in the lowest quintile would suffer an average 2 percent drop in after-tax income and would see their average tax rate rise by 1.9 percentage points (Table 29). The middle three quintiles would experience a drop in after-tax income of about 0.5 percent and increases in their average tax rate of between 0.3 and 0.5 percentage points. The top quintile would enjoy a 0.4 percent increase in after-tax income and a 0.3 percentage point drop in their average tax rate.

As a third option, the tax cuts might be financed by an additional tax on households in proportion to their current income tax liability.¹⁴ Under this scenario, the top and bottom quintiles lose while the middle three quintiles gain. The bottom quintile suffers a 0.7 percent drop in after-tax income and the top quintile suffers a 0.4 percent drop in after-tax income (Table 30). The increases in after-tax income for the second, third, and fourth quintiles are 0.8, 1.1, and 0.4 percent. Within the top quintile, however, there are substantial differences. Tax units in the top one percent of the income distribution will see their after-tax incomes rise by 1.2 percent even as it falls for others. By income classes, tax units earning less than \$20,000 and tax units making between \$100,000 and \$500,000 experience a reduction in after-tax income (Table 27). Financing in this manner results in a 0.9 percentage point increase in the average tax rate for those earning less than \$10,000 and a 1.4 percentage point increase in the average tax rate for those earning between \$200,000 and \$500,000.

It is worth noting that although these three options show very different distributions of tax burdens, they do not represent extreme cases. For example, if the tax cuts are eventually financed by increases in top tax rates while the tax cuts benefiting low- and middle-income taxpayers stay in place, the overall distribution of tax burdens could end up significantly more progressive than under the third financing option (tax increases proportional to income tax). If instead, the tax cuts are financed by cuts in entitlement programs and means-tested transfer programs such as food stamps, school lunches, and Pell grants, then low-income people would bear a disproportionate share of the cost of the tax cuts. The distribution would turn out to be more regressive than under the lump-sum financing option. One of the insidious things about deficit-financed tax cuts (or spending) is that it is impossible to say *a priori* who gains or loses.

¹⁴ Households receiving a refund would see that refund reduced by the same percentage as the increase in tax for households with a positive tax liability.

Appendix: Measuring the Distribution of Tax Changes

Distributional analysis provides information about how a tax proposal affects the economic well-being of different groups of individuals. There are many possible measures of the distributional impact of tax changes. The ideal measure would be based on the welfare or utility of each household, but direct measures of welfare are not available. The best proxy for economic welfare, given available data, is likely after-tax income. After-tax income represents the current economic resources available to households to consume or to save. A tax cut that gives all households the same percentage increase in after-tax income is distributionally neutral; it leaves the relative distribution of after-tax income unchanged. A tax cut that increases after-tax income proportionately more for lower-income households makes the tax system more progressive (or less regressive). One that increases after-tax income more for higher-income households makes the tax system less progressive (or more regressive). By this standard, the 2001-6 tax cuts are highly regressive. In 2010, when the cuts are fully phased-in, the bottom quintile of the income distribution will receive an increase in after-tax income of just 0.4 percent; those in the middle quintile will see an increase of 2.3 percent (Table 11). The top one-tenth of one percent – those with incomes above \$1,652,335 in 2006 dollars – are slated to receive the largest increase, 7.8 percent.

Our tables also report several other measures, each of which can be useful in assessing the impact of a tax change, but which can also be misinterpreted. The share of the tax cut received by each income group can be misleading because the individual income tax is highly progressive. High-income households can receive what appears to be a large share of an income tax cut but the tax system could still end up more progressive if their share of the tax cut is much smaller than their share of overall tax liability.

The average tax cut in dollar terms is another often-used measure of who benefits from a tax cut. For example, in 2010, tax units in the middle of the income distribution will receive an average tax cut of \$814 (Table 11). Those in the top one-tenth of one percent will receive an average cut that is almost 400 times larger (\$314,150). Without additional information, however, it is impossible to determine from these numbers who benefited proportionately more since those at the top of the income scale have significantly more income – but also pay significantly more tax – than those in the middle of the income distribution.

An alternative distributional measure that can also be extremely misleading is the change in tax as a percentage of total tax liability. Because low-income tax units pay less tax than high-income taxpayers under a progressive tax system, a small tax cut for low-income households can appear to be a giant reduction in tax liability even though it does not raise their after-tax income very much. For example, consider someone earning \$20,000 who pays \$1 in taxes and someone earning \$2 million who pays \$500,000. Now suppose that legislation provides a \$1 tax cut for the low-income person and a \$100,000 tax cut for the high-income person. Using the percentage change in tax liability makes it appear that the cut is tilted toward the low-income person; this legislation cuts taxes by 100 percent for them but “only” 20 percent for the high-income household. In fact, the cut would only increase the after-tax income of the poor individual by 0.005 percent while increasing income of the wealthy household by 5 percent. Thus economic resources – as measured by after-tax income – increase 1,000 times more in percentage terms for

the high-income household. Similarly, it would be misguided to characterize the 2001-6 tax cuts as benefiting the middle class more than those at the top of the income scale simply because the percentage change in tax is, on average, higher for those in the middle quintile. For example, in 2010, federal taxes fall by an average of 11.6 percent for those in the middle quintile and 9.1 percent for those in the top quintile (Table 11). But in terms of what really matters – economic resources as measured by after-tax income – those in the top quintile benefit proportionately more. They see an increase in after-tax income of 3.6 percent; those in the middle of the spectrum receive only a 2.3 percent increase.

Another commonly used measure is the change in the share of the overall tax burden paid by different income classes, but it can be misleading when it is used to analyze the tax code without sufficient consideration of the underlying income distribution.. The share of the tax levy paid by an income class depends not only on the individual incomes of households in the class, but also the number of households. A large change in the share may represent a small change aggregated over many households or a large change for a few households. The change could be large compared to income or it could be small compared to income. In addition, the measure normalizes based on the total tax levy collected, but that levy often changes at the same time and usually is itself a subject of substantial interest.

Consider the example discussed above. After the tax legislation that provides the low-income individual with a \$1 tax cut and the high-income household with a \$100,000 tax cut, that high-income household pays a higher share of the overall tax burden. In fact, they pay 100 percent of the total tax burden since the other individual had his or her tax liability completely eliminated. Before the legislation, the wealthy household paid less than 100 percent of the total burden.

The 2001-6 tax cuts illustrate this incongruity. As a result of the cuts, the share of the federal tax burden paid by the top income quintile rises by 0.2 percentage points in 2006 whereas the share paid by the middle quintile falls by 0.2 percentage points (Table 7). But those in the top quintile received an average increase in after-tax income of 4.1 percent compared to only 2.5 percent for those in the middle.

Distributional analysis has been criticized because annual income can vary widely from lifetime income, which would be a preferable measure of economic welfare. Some also argue that consumption would be a better proxy for welfare because people's spending tends to more closely track lifetime than annual income.¹⁵ However, neither permanent income nor consumption can be measured accurately with tax data so annual income is probably the best available proxy for economic status. We believe that, bearing in mind the above caveats about the imprecision of the annual income as a measure of economic welfare, distributional analysis can be a useful input to policy analysis.

¹⁵ See, e.g., Penner (2004) for a critique.

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Table 1
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2006¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.2	0.1	0.1	0.0	-4	-1.9	0.0	0.2	-0.1	4.0
10-20	45.6	0.5	1.2	1.8	-165	-19.7	-0.1	0.9	-1.1	4.5
20-30	77.4	0.3	2.5	4.5	-539	-18.2	-0.2	2.4	-2.2	9.8
30-40	86.7	0.1	2.5	4.6	-735	-13.1	-0.1	3.7	-2.1	14.0
40-50	93.4	0.1	2.4	4.3	-866	-10.5	0.0	4.4	-1.9	16.6
50-75	97.9	0.0	2.5	10.6	-1,205	-9.6	0.1	11.9	-2.0	18.5
75-100	99.1	0.0	2.9	10.4	-1,964	-10.2	0.1	10.9	-2.3	20.0
100-200	99.5	0.0	3.7	24.8	-3,729	-11.0	-0.1	24.0	-2.8	22.5
200-500	99.5	0.0	3.8	13.6	-7,730	-9.5	0.2	15.5	-2.7	25.6
500-1,000	99.1	0.0	4.5	6.4	-21,074	-10.1	0.1	6.8	-3.1	27.8
More than 1,000	99.5	0.1	6.0	18.9	-118,477	-10.6	0.0	19.1	-3.9	32.5
All	72.2	0.2	3.3	100.0	-1,628	-10.7	0.0	100.0	-2.5	21.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2006¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	19,138	13.0	5,634	228	5,406	4.0	1.1	1.4	0.2
10-20	25,619	17.4	14,909	837	14,072	5.6	4.1	5.0	1.0
20-30	19,881	13.5	24,735	2,959	21,776	12.0	5.2	6.0	2.6
30-40	15,077	10.2	34,840	5,628	29,212	16.2	5.6	6.1	3.8
40-50	11,930	8.1	44,708	8,290	36,418	18.5	5.7	6.1	4.4
50-75	21,009	14.3	61,462	12,582	48,879	20.5	13.7	14.3	11.8
75-100	12,719	8.6	86,239	19,229	67,010	22.3	11.7	11.9	10.9
100-200	15,955	10.8	134,074	33,895	100,180	25.3	22.7	22.3	24.1
200-500	4,214	2.9	287,808	81,526	206,282	28.3	12.9	12.1	15.3
500-1,000	727	0.5	677,545	209,219	468,326	30.9	5.2	4.8	6.8
More than 1,000	383	0.3	3,081,101	1,118,246	1,962,856	36.3	12.5	10.5	19.1
All	147,237	100.0	63,974	15,256	48,718	23.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 2
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2007¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.0	0.1	0.1	0.0	-4	-1.8	0.0	0.2	-0.1	4.1
10-20	44.7	0.5	1.1	2.0	-161	-19.6	-0.1	0.8	-1.1	4.4
20-30	77.0	0.3	2.4	5.2	-532	-18.0	-0.3	2.3	-2.1	9.6
30-40	86.4	0.1	2.5	5.4	-731	-12.9	-0.2	3.5	-2.1	13.9
40-50	92.6	0.1	2.3	5.0	-853	-10.2	-0.1	4.3	-1.9	16.5
50-75	97.4	0.0	2.3	11.9	-1,163	-9.0	0.0	11.6	-1.9	18.7
75-100	97.4	0.2	2.4	10.4	-1,651	-8.4	0.1	11.0	-1.9	20.4
100-200	95.9	0.1	2.5	20.2	-2,520	-7.3	0.4	24.9	-1.8	23.4
200-500	93.3	0.1	2.2	9.7	-4,527	-5.5	0.6	16.3	-1.5	26.7
500-1,000	98.7	0.0	4.3	7.5	-20,729	-9.8	-0.1	6.7	-3.0	27.5
More than 1,000	99.5	0.0	6.0	22.7	-119,517	-10.7	-0.4	18.4	-3.8	32.0
All	71.7	0.2	2.8	100.0	-1,396	-8.8	0.0	100.0	-2.1	21.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2007¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	18,608	12.5	5,699	235	5,463	4.1	1.1	1.3	0.2
10-20	25,761	17.3	15,189	822	14,367	5.4	3.9	4.9	0.9
20-30	20,224	13.5	25,240	2,960	22,280	11.7	5.1	6.0	2.5
30-40	15,244	10.2	35,555	5,684	29,872	16.0	5.5	6.0	3.7
40-50	12,157	8.1	45,638	8,383	37,255	18.4	5.6	6.0	4.3
50-75	21,294	14.3	62,764	12,866	49,899	20.5	13.5	14.1	11.6
75-100	13,139	8.8	88,142	19,614	68,528	22.3	11.7	11.9	10.9
100-200	16,685	11.2	137,212	34,656	102,556	25.3	23.1	22.6	24.5
200-500	4,475	3.0	293,234	82,688	210,546	28.2	13.2	12.5	15.7
500-1,000	756	0.5	692,259	210,848	481,411	30.5	5.3	4.8	6.8
More than 1,000	396	0.3	3,113,319	1,115,719	1,997,600	35.8	12.4	10.5	18.7
All	149,332	100.0	66,439	15,801	50,638	23.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 3
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2008¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.1	0.1	0.1	0.0	-4	-1.9	0.0	0.2	-0.1	4.1
10-20	45.2	0.5	1.1	1.9	-167	-19.9	-0.1	0.8	-1.1	4.3
20-30	76.6	0.3	2.4	5.0	-553	-18.5	-0.3	2.2	-2.1	9.5
30-40	86.0	0.1	2.5	5.2	-759	-13.2	-0.2	3.4	-2.1	13.7
40-50	92.2	0.1	2.3	4.8	-873	-10.2	-0.1	4.2	-1.9	16.5
50-75	97.0	0.1	2.4	11.5	-1,203	-9.1	0.0	11.3	-1.9	18.7
75-100	97.0	0.2	2.4	10.1	-1,687	-8.4	0.1	10.9	-1.9	20.5
100-200	95.0	0.1	2.4	19.4	-2,492	-7.0	0.5	25.3	-1.8	23.5
200-500	92.1	0.1	2.1	9.6	-4,532	-5.4	0.6	16.7	-1.5	26.7
500-1,000	98.8	0.0	4.6	8.0	-22,630	-10.5	-0.1	6.7	-3.2	27.2
More than 1,000	99.5	0.0	6.2	24.4	-130,423	-11.5	-0.5	18.4	-4.0	31.0
All	72.0	0.2	2.8	100.0	-1,492	-9.0	0.0	100.0	-2.1	21.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2008¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	18,164	12.0	5,810	241	5,569	4.2	1.0	1.3	0.2
10-20	25,275	16.8	15,564	842	14,722	5.4	3.7	4.6	0.9
20-30	20,401	13.5	25,811	2,994	22,817	11.6	5.0	5.8	2.4
30-40	15,452	10.2	36,328	5,750	30,578	15.8	5.3	5.9	3.5
40-50	12,430	8.2	46,686	8,574	38,111	18.4	5.5	5.9	4.2
50-75	21,580	14.3	64,226	13,200	51,027	20.6	13.2	13.7	11.3
75-100	13,470	8.9	90,172	20,149	70,023	22.4	11.5	11.8	10.8
100-200	17,502	11.6	140,584	35,566	105,018	25.3	23.3	22.9	24.8
200-500	4,784	3.2	299,277	84,387	214,890	28.2	13.6	12.8	16.1
500-1,000	793	0.5	707,298	215,190	492,108	30.4	5.3	4.9	6.8
More than 1,000	421	0.3	3,228,212	1,129,692	2,098,520	35.0	12.9	11.0	18.9
All	150,867	100.0	69,872	16,671	53,201	23.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 4
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2009¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.4	0.1	0.1	0.0	-5	-2.1	0.0	0.2	-0.1	4.2
10-20	45.4	0.6	1.2	1.9	-173	-19.8	-0.1	0.7	-1.1	4.4
20-30	75.6	0.3	2.4	5.0	-550	-18.1	-0.3	2.2	-2.1	9.5
30-40	85.3	0.1	2.5	5.4	-771	-13.2	-0.2	3.4	-2.1	13.6
40-50	91.3	0.1	2.3	4.9	-880	-10.0	-0.1	4.2	-1.8	16.6
50-75	96.3	0.2	2.3	11.6	-1,203	-8.9	0.0	11.4	-1.8	18.9
75-100	96.4	0.2	2.4	10.2	-1,676	-8.1	0.1	11.0	-1.8	20.7
100-200	93.9	0.1	2.4	20.1	-2,509	-6.8	0.5	26.1	-1.8	23.8
200-500	90.9	0.1	2.2	10.3	-4,685	-5.4	0.6	17.1	-1.5	26.9
500-1,000	98.5	0.1	4.7	8.2	-23,595	-10.7	-0.1	6.5	-3.3	27.4
More than 1,000	99.2	0.0	6.3	22.2	-124,037	-11.1	-0.5	17.0	-4.0	32.2
All	72.0	0.2	2.8	100.0	-1,487	-8.7	0.0	100.0	-2.1	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2009¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	17,677	11.6	5,908	250	5,658	4.2	1.0	1.2	0.2
10-20	25,125	16.5	15,917	873	15,044	5.5	3.7	4.6	0.8
20-30	20,689	13.6	26,341	3,044	23,296	11.6	5.0	5.8	2.4
30-40	15,800	10.4	37,089	5,824	31,265	15.7	5.4	6.0	3.5
40-50	12,740	8.4	47,763	8,794	38,969	18.4	5.6	6.0	4.3
50-75	21,849	14.3	65,664	13,578	52,086	20.7	13.2	13.8	11.4
75-100	13,775	9.0	92,210	20,779	71,432	22.5	11.7	11.9	11.0
100-200	18,217	11.9	143,638	36,673	106,965	25.5	24.1	23.6	25.6
200-500	4,999	3.3	303,901	86,416	217,484	28.4	14.0	13.2	16.6
500-1,000	789	0.5	722,111	221,087	501,024	30.6	5.2	4.8	6.7
More than 1,000	406	0.3	3,089,077	1,119,346	1,969,731	36.2	11.5	9.7	17.4
All	152,651	100.0	71,202	17,099	54,102	24.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 5
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.8	0.1	0.1	0.0	-5	-2.0	0.0	0.2	-0.1	4.3
10-20	45.8	0.5	1.2	1.7	-177	-20.0	-0.1	0.7	-1.1	4.3
20-30	75.9	0.3	2.3	4.5	-557	-17.9	-0.2	2.2	-2.1	9.5
30-40	85.1	0.1	2.5	4.8	-785	-13.2	-0.1	3.3	-2.1	13.6
40-50	90.8	0.1	2.2	4.4	-871	-9.7	0.0	4.2	-1.8	16.5
50-75	96.0	0.2	2.3	10.3	-1,212	-8.7	0.1	11.3	-1.8	19.0
75-100	95.9	0.3	2.3	9.1	-1,684	-7.9	0.2	11.0	-1.8	20.8
100-200	92.9	0.1	2.3	18.2	-2,530	-6.7	0.8	26.3	-1.7	23.9
200-500	90.6	0.1	2.6	11.5	-5,686	-6.4	0.6	17.4	-1.8	26.6
500-1,000	98.9	0.0	5.6	9.1	-28,578	-12.8	-0.3	6.5	-3.9	26.5
More than 1,000	99.4	0.0	7.6	26.0	-157,418	-13.9	-0.9	16.8	-4.9	30.4
All	72.3	0.2	3.0	100.0	-1,686	-9.4	0.0	100.0	-2.3	21.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	17,249	11.2	6,020	263	5,756	4.4	0.9	1.1	0.2
10-20	25,257	16.3	16,275	883	15,392	5.4	3.6	4.5	0.8
20-30	21,136	13.7	26,983	3,107	23,876	11.5	5.0	5.8	2.4
30-40	15,865	10.3	37,911	5,940	31,971	15.7	5.2	5.8	3.4
40-50	13,044	8.4	48,808	8,939	39,869	18.3	5.5	6.0	4.2
50-75	22,180	14.3	67,154	13,960	53,194	20.8	13.0	13.5	11.2
75-100	14,059	9.1	94,376	21,345	73,031	22.6	11.5	11.8	10.9
100-200	18,782	12.1	147,048	37,637	109,411	25.6	24.0	23.5	25.6
200-500	5,289	3.4	310,634	88,278	222,356	28.4	14.3	13.5	16.9
500-1,000	831	0.5	738,482	223,945	514,537	30.3	5.3	4.9	6.7
More than 1,000	431	0.3	3,204,623	1,131,653	2,072,970	35.3	12.0	10.2	17.7
All	154,718	100.0	74,322	17,878	56,444	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 6
Combined Effect of the 2001-2006 Tax Cuts Assuming Permanent Extension
Distribution of Federal Tax Change by Cash Income Class, 2011¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	3.9	0.1	0.1	0.0	-6	-2.2	0.0	0.2	-0.1	4.4
10-20	46.1	0.5	1.1	1.7	-180	-20.1	-0.1	0.7	-1.1	4.3
20-30	75.4	0.3	2.3	4.5	-563	-17.8	-0.2	2.1	-2.0	9.4
30-40	84.5	0.1	2.4	4.7	-792	-13.1	-0.1	3.2	-2.0	13.6
40-50	90.1	0.1	2.2	4.3	-880	-9.6	0.0	4.1	-1.8	16.6
50-75	95.6	0.2	2.3	10.2	-1,222	-8.5	0.1	11.1	-1.8	19.1
75-100	95.3	0.4	2.2	8.7	-1,631	-7.4	0.2	11.0	-1.7	21.0
100-200	91.8	0.1	2.2	17.8	-2,460	-6.4	0.8	26.5	-1.6	24.1
200-500	89.4	0.1	2.5	11.6	-5,610	-6.2	0.6	17.8	-1.8	26.7
500-1,000	98.8	0.0	5.6	9.4	-29,271	-12.8	-0.3	6.5	-3.9	26.4
More than 1,000	99.4	0.0	7.6	26.6	-160,759	-14.0	-0.9	16.6	-4.9	30.2
All	72.3	0.2	2.9	100.0	-1,713	-9.2	0.0	100.0	-2.2	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2011¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	16,811	10.7	6,086	275	5,811	4.5	0.9	1.1	0.2
10-20	25,284	16.2	16,631	895	15,736	5.4	3.5	4.4	0.8
20-30	21,596	13.8	27,636	3,160	24,476	11.4	5.0	5.8	2.4
30-40	16,032	10.2	38,799	6,049	32,750	15.6	5.2	5.7	3.3
40-50	13,218	8.5	49,940	9,159	40,782	18.3	5.5	5.9	4.2
50-75	22,444	14.3	68,652	14,337	54,314	20.9	12.8	13.3	11.1
75-100	14,300	9.1	96,522	21,926	74,596	22.7	11.5	11.7	10.8
100-200	19,360	12.4	150,400	38,645	111,755	25.7	24.2	23.7	25.7
200-500	5,551	3.6	317,079	90,319	226,760	28.5	14.6	13.8	17.2
500-1,000	865	0.6	755,020	228,366	526,654	30.3	5.4	5.0	6.8
More than 1,000	443	0.3	3,272,093	1,148,657	2,123,436	35.1	12.0	10.3	17.5
All	156,502	100.0	77,021	18,594	58,428	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 7
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Percentile, 2006¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	12.0	0.2	0.3	0.3	-20	-7.1	0.0	0.4	-0.3	3.5
Second Quintile	64.6	0.3	2.0	4.3	-349	-19.7	-0.2	2.1	-1.8	7.2
Middle Quintile	87.2	0.1	2.5	9.1	-744	-12.7	-0.2	7.5	-2.1	14.3
Fourth Quintile	97.9	0.0	2.5	15.1	-1,232	-9.6	0.2	17.0	-2.0	18.6
Top Quintile	99.4	0.0	4.1	71.2	-5,790	-10.5	0.2	72.8	-3.0	25.4
All	72.2	0.2	3.3	100.0	-1,628	-10.7	0.0	100.0	-2.5	21.3
Addendum										
Top 10 Percent	99.6	0.0	4.4	55.2	-8,985	-10.3	0.3	57.7	-3.1	26.9
Top 5 Percent	99.5	0.0	4.6	43.1	-14,039	-10.1	0.3	45.9	-3.2	28.2
Top 1 Percent	99.3	0.0	5.4	27.2	-44,212	-10.3	0.1	28.2	-3.5	30.8
Top 0.5 Percent	99.4	0.1	5.8	22.8	-74,249	-10.6	0.0	23.0	-3.7	31.6
Top 0.1 Percent	99.5	0.1	6.2	14.1	-230,136	-10.5	0.0	14.4	-3.9	33.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2006¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	28,860.0	19.6	7,727.0	288.0	7,439	3.7	2.4	3.0	0.4
Second Quintile	29,449.0	20.0	19,690.0	1,773.0	17,918	9.0	6.2	7.4	2.3
Middle Quintile	29,448.0	20.0	35,657.0	5,843.0	29,813	16.4	11.2	12.2	7.7
Fourth Quintile	29,448.0	20.0	62,346.0	12,826.0	49,521	20.6	19.5	20.3	16.8
Top Quintile	29,447.0	20.0	195,755.0	55,417.0	140,338	28.3	61.2	57.6	72.7
All	147,237.0	100.0	63,974.0	15,256.0	48,718	23.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	14,724.0	10.0	292,372.0	87,600.0	204,772	30.0	45.7	42.0	57.4
Top 5 Percent	7,361.0	5.0	443,043.0	139,046.0	303,997	31.4	34.6	31.2	45.6
Top 1 Percent	1,472.0	1.0	1,248,587.0	428,113.0	820,474	34.3	19.5	16.8	28.1
Top 0.5 Percent	736.0	0.5	1,984,734.0	702,052.0	1,282,682	35.4	15.5	13.2	23.0
Top 0.1 Percent	147.0	0.1	5,889,414.0	2,189,093.0	3,700,321	37.2	9.2	7.6	14.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 8
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Percentile, 2007¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	12.6	0.3	0.3	0.3	-22	-7.5	0.0	0.4	-0.3	3.4
Second Quintile	65.2	0.3	1.9	5.2	-360	-19.4	-0.3	2.1	-1.8	7.3
Middle Quintile	87.3	0.1	2.4	10.7	-746	-12.3	-0.3	7.4	-2.0	14.4
Fourth Quintile	97.3	0.1	2.3	17.1	-1,192	-8.9	0.0	17.0	-1.8	18.8
Top Quintile	96.0	0.1	3.2	66.7	-4,656	-8.1	0.6	73.0	-2.3	25.9
All	71.7	0.2	2.8	100.0	-1,396	-8.8	0.0	100.0	-2.1	21.7
Addendum										
Top 10 Percent	94.8	0.1	3.4	51.9	-7,247	-8.0	0.5	57.6	-2.4	27.4
Top 5 Percent	94.0	0.1	3.8	42.5	-11,863	-8.3	0.3	45.4	-2.6	28.5
Top 1 Percent	98.7	0.0	5.3	32.0	-44,622	-10.3	-0.4	27.1	-3.5	30.4
Top 0.5 Percent	99.1	0.0	5.7	27.2	-75,881	-10.7	-0.5	22.1	-3.7	31.2
Top 0.1 Percent	99.5	0.1	6.2	16.8	-234,972	-10.7	-0.3	13.7	-3.9	32.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2007¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	29,273.0	19.6	8,074.0	300.0	7,774	3.7	2.4	3.0	0.4	
Second Quintile	29,866.0	20.0	20,521.0	1,852.0	18,669	9.0	6.2	7.4	2.3	
Middle Quintile	29,865.0	20.0	37,071.0	6,085.0	30,986	16.4	11.2	12.2	7.7	
Fourth Quintile	29,866.0	20.0	64,859.0	13,406.0	51,454	20.7	19.5	20.3	17.0	
Top Quintile	29,866.0	20.0	203,046.0	57,229.0	145,817	28.2	61.1	57.6	72.4	
All	149,332.0	100.0	66,439.0	15,801.0	50,638	23.8	100.0	100.0	100.0	
Addendum										
Top 10 Percent	14,933.0	10.0	302,839.0	90,161.0	212,678	29.8	45.6	42.0	57.1	
Top 5 Percent	7,465.0	5.0	458,039.0	142,571.0	315,468	31.1	34.5	31.1	45.1	
Top 1 Percent	1,493.0	1.0	1,284,199.0	435,225.0	848,973	33.9	19.3	16.8	27.5	
Top 0.5 Percent	747.0	0.5	2,037,114.0	711,878.0	1,325,236	35.0	15.3	13.1	22.5	
Top 0.1 Percent	149.0	0.1	6,011,426.0	2,206,529.0	3,804,897	36.7	9.1	7.5	14.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 9
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Percentile, 2008¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	14.2	0.3	0.3	0.3	-26	-8.0	0.0	0.4	-0.3	3.5
Second Quintile	66.6	0.3	2.0	5.3	-397	-19.7	-0.3	2.1	-1.8	7.5
Middle Quintile	87.4	0.1	2.4	10.5	-784	-12.2	-0.3	7.4	-2.0	14.5
Fourth Quintile	97.0	0.1	2.3	16.9	-1,257	-8.9	0.0	17.0	-1.9	19.0
Top Quintile	95.1	0.1	3.3	66.9	-4,993	-8.3	0.5	72.9	-2.3	25.8
All	72.0	0.2	2.8	100.0	-1,492	-9.0	0.0	100.0	-2.1	21.7
Addendum										
Top 10 Percent	93.5	0.1	3.5	52.6	-7,846	-8.3	0.4	57.4	-2.5	27.2
Top 5 Percent	92.7	0.1	3.9	43.9	-13,108	-8.7	0.1	45.1	-2.7	28.2
Top 1 Percent	98.8	0.0	5.5	33.8	-50,495	-11.1	-0.6	26.8	-3.7	29.7
Top 0.5 Percent	99.1	0.0	6.0	28.8	-85,881	-11.5	-0.6	21.8	-3.9	30.4
Top 0.1 Percent	99.5	0.1	6.4	17.8	-266,151	-11.5	-0.4	13.5	-4.1	31.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2008¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	29,579.0	19.6	8,477.0	325.0	8,152	3.8	2.4	3.0	0.4
Second Quintile	30,169.0	20.0	21,597.0	2,009.0	19,588	9.3	6.2	7.4	2.4
Middle Quintile	30,172.0	20.0	38,857.0	6,434.0	32,423	16.6	11.1	12.2	7.7
Fourth Quintile	30,178.0	20.0	67,869.0	14,157.0	53,712	20.9	19.4	20.2	17.0
Top Quintile	30,174.0	20.0	213,996.0	60,294.0	153,702	28.2	61.3	57.8	72.3
All	150,867.0	100.0	69,872.0	16,671.0	53,201	23.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,087.0	10.0	319,874.0	94,890.0	224,984	29.7	45.8	42.3	56.9
Top 5 Percent	7,543.0	5.0	484,800.0	149,936.0	334,864	30.9	34.7	31.5	45.0
Top 1 Percent	1,509.0	1.0	1,367,765.0	456,674.0	911,091	33.4	19.6	17.1	27.4
Top 0.5 Percent	754.0	0.5	2,177,643.0	747,130.0	1,430,514	34.3	15.6	13.4	22.4
Top 0.1 Percent	151.0	0.1	6,480,962.0	2,320,146.0	4,160,816	35.8	9.3	7.8	13.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 10
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	15.4	0.3	0.4	0.4	-32	-9.3	0.0	0.4	-0.4	3.6
Second Quintile	67.3	0.3	2.0	5.6	-417	-19.2	-0.3	2.2	-1.9	7.7
Middle Quintile	87.1	0.1	2.4	10.8	-803	-11.9	-0.3	7.6	-2.0	14.7
Fourth Quintile	96.4	0.2	2.3	17.1	-1,274	-8.6	0.0	17.4	-1.8	19.3
Top Quintile	94.0	0.1	3.2	65.9	-4,900	-8.0	0.5	72.2	-2.3	26.2
All	72.0	0.2	2.8	100.0	-1,487	-8.7	0.0	100.0	-2.1	21.9
Addendum										
Top 10 Percent	91.7	0.1	3.4	51.4	-7,640	-8.0	0.4	56.3	-2.4	27.6
Top 5 Percent	91.2	0.1	3.9	42.5	-12,632	-8.5	0.1	43.8	-2.7	28.7
Top 1 Percent	98.5	0.1	5.6	32.1	-47,729	-10.8	-0.6	25.4	-3.7	30.4
Top 0.5 Percent	98.8	0.0	6.1	27.0	-80,261	-11.1	-0.6	20.5	-3.9	31.3
Top 0.1 Percent	99.3	0.1	6.5	16.0	-237,206	-10.8	-0.3	12.6	-4.0	33.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2009¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	29,944.0	19.6	8,899.0	351.0	8,548	4.0	2.5	3.1	0.4
Second Quintile	30,528.0	20.0	22,579.0	2,165.0	20,414	9.6	6.3	7.6	2.5
Middle Quintile	30,533.0	20.0	40,411.0	6,748.0	33,663	16.7	11.4	12.5	7.9
Fourth Quintile	30,532.0	20.0	70,425.0	14,849.0	55,575	21.1	19.8	20.6	17.4
Top Quintile	30,530.0	20.0	215,173.0	61,232.0	153,940	28.5	60.4	56.9	71.6
All	152,651.0	100.0	71,202.0	17,099.0	54,102	24.0	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,266.0	10.0	318,233.0	95,511.0	222,721	30.0	44.7	41.2	55.9
Top 5 Percent	7,633.0	5.0	476,246.0	149,283.0	326,963	31.4	33.5	30.2	43.7
Top 1 Percent	1,527.0	1.0	1,302,421.0	444,161.0	858,260	34.1	18.3	15.9	26.0
Top 0.5 Percent	763.0	0.5	2,045,075.0	720,696.0	1,324,379	35.2	14.4	12.2	21.1
Top 0.1 Percent	153.0	0.1	5,875,757.0	2,196,701.0	3,679,056	37.4	8.3	6.8	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 11
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	17.0	0.3	0.4	0.4	-37	-9.8	0.0	0.4	-0.4	3.6
Second Quintile	68.4	0.3	2.1	5.2	-437	-19.1	-0.3	2.3	-1.9	7.9
Middle Quintile	87.1	0.1	2.3	9.7	-814	-11.6	-0.2	7.7	-1.9	14.9
Fourth Quintile	96.1	0.2	2.3	15.5	-1,305	-8.4	0.2	17.6	-1.8	19.5
Top Quintile	93.2	0.1	3.6	68.9	-5,809	-9.1	0.3	71.9	-2.6	25.8
All	72.3	0.2	3.0	100.0	-1,686	-9.4	0.0	100.0	-2.3	21.8
Addendum										
Top 10 Percent	90.8	0.1	4.0	56.1	-9,457	-9.5	0.0	55.9	-2.8	27.0
Top 5 Percent	91.0	0.1	4.7	48.1	-16,223	-10.4	-0.5	43.2	-3.2	27.9
Top 1 Percent	98.9	0.1	6.7	36.8	-62,007	-13.4	-1.1	24.8	-4.5	29.0
Top 0.5 Percent	99.1	0.0	7.3	31.1	-104,678	-13.9	-1.0	20.0	-4.8	29.7
Top 0.1 Percent	99.5	0.0	7.8	18.6	-314,150	-13.7	-0.6	12.3	-5.0	31.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6
Middle Quintile	30,935.0	20.0	41,886.0	7,036.0	34,851	16.8	11.3	12.4	7.9
Fourth Quintile	30,943.0	20.0	72,976.0	15,519.0	57,456	21.3	19.6	20.4	17.4
Top Quintile	30,945.0	20.0	225,458.0	64,024.0	161,433	28.4	60.7	57.2	71.6
All	154,718.0	100.0	74,322.0	17,878.0	56,444	24.1	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,472.0	10.0	334,549.0	99,918.0	234,631	29.9	45.0	41.6	55.9
Top 5 Percent	7,734.0	5.0	502,540.0	156,216.0	346,324	31.1	33.8	30.7	43.7
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,949.0	920,591	33.5	18.6	16.3	26.0
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,606.0	1,428,875	34.5	14.7	12.7	21.1
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,167.0	4,021,917	36.4	8.5	7.1	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 12
Combined Effect of the 2001-2006 Tax Cuts Assuming Permanent Extension
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	18.3	0.3	0.4	0.5	-41	-10.2	0.0	0.4	-0.4	3.7
Second Quintile	69.0	0.3	2.1	5.3	-456	-18.9	-0.3	2.3	-1.9	8.0
Middle Quintile	86.8	0.1	2.3	9.7	-828	-11.3	-0.2	7.7	-1.9	15.0
Fourth Quintile	95.6	0.3	2.2	15.3	-1,309	-8.1	0.2	17.6	-1.7	19.7
Top Quintile	92.1	0.1	3.5	68.9	-5,904	-8.9	0.3	71.8	-2.5	25.9
All	72.3	0.2	2.9	100.0	-1,713	-9.2	0.0	100.0	-2.2	21.9
Addendum										
Top 10 Percent	89.5	0.1	4.0	56.5	-9,673	-9.3	-0.1	55.7	-2.8	27.1
Top 5 Percent	90.1	0.1	4.7	48.7	-16,686	-10.3	-0.5	42.9	-3.2	27.9
Top 1 Percent	98.9	0.1	6.7	37.4	-64,154	-13.5	-1.2	24.5	-4.5	28.9
Top 0.5 Percent	99.0	0.0	7.3	31.6	-108,227	-14.0	-1.1	19.7	-4.8	29.5
Top 0.1 Percent	99.5	0.0	7.8	18.9	-323,621	-13.8	-0.6	12.0	-5.0	31.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	30,704.0	19.6	9,721.0	398.0	9,323	4.1	2.5	3.1	0.4
Second Quintile	31,300.0	20.0	24,460.0	2,415.0	22,045	9.9	6.4	7.6	2.6
Middle Quintile	31,297.0	20.0	43,383.0	7,334.0	36,049	16.9	11.3	12.3	7.9
Fourth Quintile	31,305.0	20.0	75,537.0	16,185.0	59,351	21.4	19.6	20.3	17.4
Top Quintile	31,299.0	20.0	233,599.0	66,486.0	167,113	28.5	60.7	57.2	71.5
All	156,502.0	100.0	77,021.0	18,594.0	58,428	24.1	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,650.0	10.0	346,579.0	103,613.0	242,967	29.9	45.0	41.6	55.7
Top 5 Percent	7,825.0	5.0	520,288.0	161,608.0	358,680	31.1	33.8	30.7	43.5
Top 1 Percent	1,565.0	1.0	1,430,531.0	477,002.0	953,528	33.3	18.6	16.3	25.7
Top 0.5 Percent	783.0	0.5	2,252,206.0	772,800.0	1,479,405	34.3	14.6	12.7	20.8
Top 0.1 Percent	157.0	0.1	6,508,651.0	2,351,566.0	4,157,085	36.1	8.5	7.1	12.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 13
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2006¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		538		378		1,510		2,169		846		0		1,132

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 14
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2007¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		493		390		1,283		1,762		784		0		1,013

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 15
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2008¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		529		400		1,265		1,738		808		0		1,034

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 16
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2009¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		526		408		1,191		1,676		827		0		1,001

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 17
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2010¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		529		418		1,126		1,620		832		0		1,000

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 18
Combined Effect of the 2001-2006 Tax Cuts:
Number of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2011¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		Joint with Children ³		HOH with Children ⁴		Elderly ⁵		Business Income ⁶	
	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)	Number (thousands)	Average Tax Cut (\$)
0	40,912	0	22,847	0	12,222	0	1,472	0	3,986	0	11,486	0	5,992	0
1-100	2,876	49	1,888	49	463	49	125	56	366	48	297	51	618	47
100-500	27,365	347	22,892	355	1,945	316	499	322	1,566	299	2,844	339	3,679	336
500-1,000	20,346	715	8,509	698	5,571	770	1,196	789	3,863	729	2,046	723	3,890	744
1,000-1,500	9,762	1,057	1,493	1,094	5,025	1,043	838	1,070	2,877	1,061	744	1,057	1,990	1,058
1,500-2,000	17,498	1,546	2,752	1,523	10,505	1,561	7,682	1,578	3,630	1,520	946	1,526	4,708	1,560
2,000-5,000	22,655	3,060	1,764	2,891	19,385	3,104	12,298	3,100	1,142	2,691	1,376	3,065	7,562	3,153
5,000-10,000	4,173	6,534	297	6,796	3,793	6,518	2,263	6,424	55	6,159	288	6,744	2,102	6,663
10,000-50,000	1,375	19,540	187	19,542	1,149	19,484	562	19,804	15	22,504	157	18,802	961	20,149
Over 50,000	242	167,223	30	168,733	203	165,352	102	163,809	4	169,052	20	153,552	199	174,154
All	147,237	1,532	62,664	571	60,274	2,777	27,047	3,499	17,516	929	20,204	837	31,713	3,328
<i>Median Tax Cut</i>		524		428		1140		1622		838		0		984

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

(2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 19
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2006¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	27.8	0	36.5	0	20.3	0	5.4	0	22.8	0	56.9	0	18.9	0
1-100	2.0	49	3.0	49	0.8	49	0.5	56	2.1	48	1.5	51	2.0	47
100-500	18.6	347	36.5	355	3.2	316	1.8	322	8.9	299	14.1	339	11.6	336
500-1,000	13.8	715	13.6	698	9.2	770	4.4	789	22.1	729	10.1	723	12.3	744
1,000-1,500	11.8	1,179	4.7	1,215	15.4	1,173	13.0	1,261	26.1	1,165	6.0	1,161	12.6	1,197
1,500-2,000	6.7	1,712	2.1	1,723	10.4	1,719	18.5	1,716	11.0	1,678	2.4	1,720	8.5	1,728
2,000-5,000	15.4	3,060	2.8	2,891	32.2	3,104	45.5	3,100	6.5	2,691	6.8	3,065	23.8	3,153
5,000-10,000	2.8	6,534	0.5	6,796	6.3	6,518	8.4	6,424	0.3	6,159	1.4	6,744	6.6	6,663
10,000-50,000	0.9	19,540	0.3	19,542	1.9	19,484	2.1	19,804	0.1	22,504	0.8	18,802	3.0	20,149
Over 50,000	0.2	167,223	0.0	168,733	0.3	165,352	0.4	163,809	0.0	169,052	0.1	153,552	0.6	174,154
All	100.0	1,532	100.0	571	100.0	2,777	100.0	3,499	100.0	929	100.0	837	100.0	3,328
<i>Median Tax Cut</i>		538		378		1,510		2,169		846		0		1,132

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 20
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2007¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	28.3	0	36.2	0	21.4	0	7.4	0	23.5	0	56.2	0	19.7	0
1-100	2.4	46	3.1	48	1.6	40	1.9	37	2.3	44	1.5	51	2.9	41
100-500	19.4	352	36.3	363	4.8	311	4.6	312	10.3	303	14.6	343	13.2	335
500-1,000	15.1	731	13.8	700	11.2	787	8.5	805	24.0	757	10.5	738	13.8	758
1,000-1,500	12.9	1,198	5.0	1,214	17.9	1,205	17.4	1,270	25.5	1,172	6.3	1,182	14.7	1,216
1,500-2,000	8.2	1,751	2.2	1,722	14.4	1,763	24.7	1,769	10.6	1,715	2.9	1,727	10.6	1,759
2,000-5,000	11.8	2,732	2.7	2,829	25.2	2,730	32.1	2,616	3.4	2,514	6.3	2,911	19.5	2,831
5,000-10,000	0.9	6,705	0.4	6,887	1.8	6,653	1.4	6,747	0.1	7,045	1.0	6,789	2.6	6,796
10,000-50,000	0.7	22,163	0.3	20,440	1.3	22,520	1.5	23,075	0.1	23,094	0.6	20,313	2.3	22,765
Over 50,000	0.2	166,755	0.0	167,978	0.4	164,939	0.4	163,575	0.0	171,183	0.1	153,084	0.7	173,655
All	100.0	1,297	100.0	567	100.0	2,259	100.0	2,657	100.0	844	100.0	788	100.0	2,887
<i>Median Tax Cut</i>		<i>493</i>		<i>390</i>		<i>1,283</i>		<i>1,762</i>		<i>784</i>		<i>0</i>		<i>1,013</i>

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 21
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2008¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	27.9	0	35.0	0	22.1	0	7.9	0	23.2	0	53.7	0	19.6	0
1-100	2.5	46	3.0	48	1.8	41	2.5	36	2.5	47	1.3	49	2.9	42
100-500	18.9	358	35.5	371	4.6	306	4.5	298	10.1	299	14.6	349	12.9	336
500-1,000	15.4	737	14.2	705	11.3	791	9.2	807	23.9	764	10.7	747	13.6	766
1,000-1,500	12.8	1,203	5.6	1,214	17.1	1,214	16.0	1,278	25.1	1,173	7.0	1,196	13.9	1,217
1,500-2,000	8.5	1,754	2.5	1,728	14.5	1,768	24.6	1,775	11.3	1,716	3.3	1,725	11.0	1,759
2,000-5,000	11.9	2,745	3.2	2,840	24.7	2,740	31.5	2,624	3.6	2,559	7.2	2,937	19.7	2,826
5,000-10,000	1.0	6,738	0.5	6,789	2.0	6,734	1.5	6,804	0.1	6,397	1.3	6,791	2.9	6,835
10,000-50,000	0.8	21,880	0.3	19,870	1.5	22,364	1.5	23,455	0.1	21,679	0.8	19,451	2.5	22,372
Over 50,000	0.2	167,169	0.1	166,852	0.4	165,750	0.5	163,649	0.0	164,248	0.1	150,757	0.8	174,482
All	100.0	1,387	100.0	631	100.0	2,394	100.0	2,795	100.0	870	100.0	919	100.0	3,179
<i>Median Tax Cut</i>		529		400		1,265		1,738		808		0		1,034

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 22
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2009¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	27.9	0	34.1	0	22.9	0	8.8	0	23.2	0	53.2	0	20.0	0
1-100	2.5	44	3.0	47	2.0	36	2.9	35	2.6	51	1.2	47	3.0	40
100-500	18.9	362	35.4	376	4.7	305	4.8	301	9.6	302	14.7	351	12.9	338
500-1,000	15.6	741	14.7	708	11.5	798	9.6	816	23.5	767	10.8	743	13.9	768
1,000-1,500	13.0	1,208	5.8	1,213	17.2	1,221	16.2	1,274	25.4	1,177	7.4	1,195	14.1	1,221
1,500-2,000	8.7	1,757	2.8	1,723	14.7	1,771	24.5	1,787	11.7	1,729	3.5	1,733	11.4	1,763
2,000-5,000	11.5	2,746	3.4	2,816	23.5	2,742	29.7	2,632	3.6	2,595	7.2	2,911	18.9	2,817
5,000-10,000	0.9	6,752	0.4	6,851	1.8	6,728	1.4	6,810	0.1	6,691	1.1	6,815	2.6	6,842
10,000-50,000	0.7	22,285	0.3	20,185	1.4	22,753	1.5	23,662	0.1	22,415	0.7	19,684	2.3	22,936
Over 50,000	0.2	155,500	0.1	158,780	0.4	153,830	0.5	150,522	0.0	159,619	0.1	149,784	0.7	161,774
All	100.0	1,331	100.0	625	100.0	2,267	100.0	2,680	100.0	873	100.0	865	100.0	2,957
<i>Median Tax Cut</i>		526		408		1,191		1,676		827		0		1,001

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 23
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2010¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	27.7	0	33.2	0	23.4	0	9.8	0	23.1	0	52.2	0	20.0	0
1-100	2.6	43	3.0	46	2.2	38	3.2	35	2.6	46	1.3	42	3.3	40
100-500	18.8	367	35.1	383	4.9	303	5.0	294	9.6	304	14.7	358	12.9	342
500-1,000	16.0	745	15.0	712	12.1	797	10.6	810	23.6	776	11.2	747	14.2	769
1,000-1,500	13.0	1,212	6.2	1,221	17.0	1,222	15.7	1,272	25.0	1,186	7.4	1,204	14.2	1,223
1,500-2,000	8.8	1,762	2.9	1,727	14.5	1,776	24.2	1,793	12.2	1,738	3.7	1,748	11.3	1,769
2,000-5,000	11.0	2,750	3.7	2,820	22.2	2,741	27.9	2,641	3.6	2,683	7.5	2,928	18.2	2,821
5,000-10,000	0.9	6,817	0.4	6,903	1.8	6,790	1.4	6,869	0.1	6,982	1.1	6,932	2.5	6,941
10,000-50,000	0.7	22,315	0.3	20,379	1.4	22,778	1.5	23,750	0.1	22,786	0.7	19,808	2.4	22,944
Over 50,000	0.2	157,636	0.1	160,363	0.5	156,098	0.6	152,421	0.0	160,720	0.1	150,835	0.9	164,672
All	100.0	1,388	100.0	667	100.0	2,365	100.0	2,782	100.0	893	100.0	932	100.0	3,185
<i>Median Tax Cut</i>		529		418		1,126		1,620		832		0		1,000

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 24
Combined Effect of the 2001-2006 Tax Cuts:
Percent of Tax Units by Size of Income Tax Cut and Individual Characteristics, 2011¹

Income Tax Cut (\$)	All Tax Units ²		Single Tax Units		Joint Tax Units		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 (\$)	Percent of Total	Average Tax Cut (\$)
0	27.7	0	32.6	0	24.2	0	10.6	0	22.8	0	51.7	0	20.0	0
1-100	2.7	41	2.9	46	2.4	37	3.6	36	2.6	40	1.2	44	3.5	39
100-500	18.8	373	34.7	391	5.4	306	5.6	294	9.5	299	14.7	366	13.2	344
500-1,000	16.5	751	15.3	714	12.7	809	11.1	821	24.2	781	11.5	752	14.5	775
1,000-1,500	13.0	1,217	6.7	1,218	16.5	1,229	15.8	1,274	24.7	1,197	7.4	1,213	14.3	1,231
1,500-2,000	8.8	1,767	3.1	1,728	14.3	1,781	23.1	1,805	12.4	1,747	3.8	1,744	11.2	1,774
2,000-5,000	10.6	2,758	4.0	2,809	20.8	2,749	26.5	2,657	3.5	2,744	7.6	2,935	17.4	2,827
5,000-10,000	0.9	6,863	0.4	6,934	1.7	6,837	1.4	6,888	0.1	7,145	1.1	6,985	2.5	6,954
10,000-50,000	0.8	22,342	0.3	20,317	1.4	22,840	1.5	23,775	0.1	22,024	0.8	19,783	2.5	22,974
Over 50,000	0.2	157,622	0.1	158,825	0.5	156,394	0.6	153,042	0.0	152,822	0.1	149,816	0.9	164,877
All	100.0	1,401	100.0	694	100.0	2,371	100.0	2,795	100.0	905	100.0	962	100.0	3,254
<i>Median Tax Cut</i>		524		428		1,140		1,622		838		0		984

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

- (1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.
- (2) Includes both filing and non-filing tax units. Tax filing units that 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.

Table 25
Combined Effect of 2001-06 Tax Cuts with Lump Sum Financing
Distribution of Federal Tax Change by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.1	99.9	-29.2	n/a	1,681	638.9	1.1	1.2	27.9	32.3
10-20	0.2	99.8	-9.8	n/a	1,509	171.0	1.4	2.2	9.3	14.7
20-30	3.9	96.1	-4.7	n/a	1,129	36.3	0.9	3.2	4.2	15.7
30-40	10.7	89.3	-2.8	n/a	901	15.2	0.5	3.9	2.4	18.1
40-50	12.5	87.5	-2.1	n/a	815	9.1	0.4	4.6	1.7	20.0
50-75	18.8	81.2	-0.9	n/a	474	3.4	0.4	11.6	0.7	21.5
75-100	42.0	57.9	0.0	n/a	2	0.0	0.0	10.9	0.0	22.6
100-200	60.6	39.4	0.8	n/a	-844	-2.2	-0.6	25.0	-0.6	25.0
200-500	61.2	38.8	1.8	n/a	-4,000	-4.5	-0.8	16.1	-1.3	27.1
500-1,000	93.4	6.6	5.2	n/a	-26,892	-12.0	-0.8	5.9	-3.6	26.7
More than 1,000	97.7	2.3	7.5	n/a	-155,732	-13.8	-2.4	15.2	-4.9	30.5
All	19.5	80.5	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	17,249	11.2	6,020	263	5,756	4.4	0.9	1.1	0.2
10-20	25,257	16.3	16,275	883	15,392	5.4	3.6	4.5	0.8
20-30	21,136	13.7	26,983	3,107	23,876	11.5	5.0	5.8	2.4
30-40	15,865	10.3	37,911	5,940	31,971	15.7	5.2	5.8	3.4
40-50	13,044	8.4	48,808	8,939	39,869	18.3	5.5	6.0	4.2
50-75	22,180	14.3	67,154	13,960	53,194	20.8	13.0	13.5	11.2
75-100	14,059	9.1	94,376	21,345	73,031	22.6	11.5	11.8	10.9
100-200	18,782	12.1	147,048	37,637	109,411	25.6	24.0	23.5	25.6
200-500	5,289	3.4	310,634	88,278	222,356	28.4	14.3	13.5	16.9
500-1,000	831	0.5	738,482	223,945	514,537	30.3	5.3	4.9	6.7
More than 1,000	431	0.3	3,204,623	1,131,653	2,072,970	35.3	12.0	10.2	17.7
All	154,718	100.0	74,322	17,878	56,444	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA. Lump sum financing requires an additional levy of \$1,686 on each tax unit.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 26
Combined Effect of the 2001-2006 Tax Cuts with Financing Proportional to Income
Distribution of Federal Tax Change by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.2	88.7	-2.3	n/a	131	49.9	0.1	0.3	2.2	6.6
10-20	11.9	88.0	-1.3	n/a	193	21.8	0.2	1.0	1.2	6.6
20-30	31.6	68.3	-0.2	n/a	55	1.8	0.0	2.4	0.2	11.7
30-40	35.3	64.7	-0.2	n/a	76	1.3	0.0	3.5	0.2	15.9
40-50	28.0	72.0	-0.6	n/a	237	2.7	0.1	4.3	0.5	18.8
50-75	23.5	76.4	-0.6	n/a	311	2.2	0.3	11.4	0.5	21.3
75-100	18.7	81.2	-0.6	n/a	457	2.1	0.2	11.1	0.5	23.1
100-200	18.1	81.8	-0.7	n/a	807	2.1	0.6	26.1	0.6	26.1
200-500	17.1	82.9	-0.6	n/a	1,363	1.5	0.3	17.1	0.4	28.9
500-1,000	68.2	31.8	2.3	n/a	-11,822	-5.3	-0.4	6.4	-1.6	28.7
More than 1,000	83.8	16.2	4.1	n/a	-84,705	-7.5	-1.3	16.3	-2.6	32.7
All	21.1	77.6	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	17,249	11.2	6,020	263	5,756	4.4	0.9	1.1	0.2
10-20	25,257	16.3	16,275	883	15,392	5.4	3.6	4.5	0.8
20-30	21,136	13.7	26,983	3,107	23,876	11.5	5.0	5.8	2.4
30-40	15,865	10.3	37,911	5,940	31,971	15.7	5.2	5.8	3.4
40-50	13,044	8.4	48,808	8,939	39,869	18.3	5.5	6.0	4.2
50-75	22,180	14.3	67,154	13,960	53,194	20.8	13.0	13.5	11.2
75-100	14,059	9.1	94,376	21,345	73,031	22.6	11.5	11.8	10.9
100-200	18,782	12.1	147,048	37,637	109,411	25.6	24.0	23.5	25.6
200-500	5,289	3.4	310,634	88,278	222,356	28.4	14.3	13.5	16.9
500-1,000	831	0.5	738,482	223,945	514,537	30.3	5.3	4.9	6.7
More than 1,000	431	0.3	3,204,623	1,131,653	2,072,970	35.3	12.0	10.2	17.7
All	154,718	100.0	74,322	17,878	56,444	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA. Proportional financing requires an additional levy of 2.3 percent of cash income on all tax units.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 27
Combined Effect of the 2001-2006 Tax Cuts with Financing Proportional to Tax Liability
Distribution of Federal Tax Change by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	2.8	26.4	-1.0	n/a	56	21.4	0.0	0.2	0.9	5.3
10-20	36.2	20.3	-0.1	n/a	16	1.9	0.0	0.8	0.1	5.5
20-30	65.6	11.5	1.1	n/a	-265	-8.5	-0.2	2.2	-1.0	10.5
30-40	52.4	33.3	1.3	n/a	-415	-7.0	-0.2	3.2	-1.1	14.6
40-50	46.6	44.6	0.8	n/a	-333	-3.7	-0.2	4.1	-0.7	17.6
50-75	48.6	48.9	0.5	n/a	-249	-1.8	-0.2	11.0	-0.4	20.4
75-100	42.1	56.9	0.1	n/a	-43	-0.2	0.0	10.8	-0.1	22.6
100-200	23.8	75.7	-0.8	n/a	903	2.4	0.6	26.2	0.6	26.2
200-500	11.3	88.4	-2.0	n/a	4,460	5.1	0.9	17.7	1.4	29.9
500-1,000	37.1	62.4	0.5	n/a	-2,441	-1.1	-0.1	6.7	-0.3	30.0
More than 1,000	53.3	46.4	1.8	n/a	-38,053	-3.4	-0.6	17.1	-1.2	34.1
All	38.9	39.9	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	17,249	11.2	6,020	263	5,756	4.4	0.9	1.1	0.2
10-20	25,257	16.3	16,275	883	15,392	5.4	3.6	4.5	0.8
20-30	21,136	13.7	26,983	3,107	23,876	11.5	5.0	5.8	2.4
30-40	15,865	10.3	37,911	5,940	31,971	15.7	5.2	5.8	3.4
40-50	13,044	8.4	48,808	8,939	39,869	18.3	5.5	6.0	4.2
50-75	22,180	14.3	67,154	13,960	53,194	20.8	13.0	13.5	11.2
75-100	14,059	9.1	94,376	21,345	73,031	22.6	11.5	11.8	10.9
100-200	18,782	12.1	147,048	37,637	109,411	25.6	24.0	23.5	25.6
200-500	5,289	3.4	310,634	88,278	222,356	28.4	14.3	13.5	16.9
500-1,000	831	0.5	738,482	223,945	514,537	30.3	5.3	4.9	6.7
More than 1,000	431	0.3	3,204,623	1,131,653	2,072,970	35.3	12.0	10.2	17.7
All	154,718	100.0	74,322	17,878	56,444	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA.

Proportional financing requires an additional levy of 21 percent of tax liability on all units. Units with negative liability receive an increased refund.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 28
Combined Effect of 2001-2006 Tax Cuts with Lump Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	99.9	-18.5	n/a	1,649	439.9	1.8	2.2	17.7	21.7
Second Quintile	2.3	97.7	-5.9	n/a	1,249	54.6	1.4	4.0	5.3	15.1
Middle Quintile	11.1	88.9	-2.5	n/a	872	12.4	1.0	8.8	2.1	18.9
Fourth Quintile	22.5	77.5	-0.7	n/a	381	2.5	0.4	17.8	0.5	21.8
Top Quintile	61.3	38.7	2.6	n/a	-4,123	-6.4	-4.6	67.0	-1.8	26.6
All	19.5	80.5	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1
Addendum										
Top 10 Percent	60.0	40.0	3.3	n/a	-7,771	-7.8	-4.4	51.5	-2.3	27.5
Top 5 Percent	64.9	35.1	4.2	n/a	-14,537	-9.3	-4.1	39.6	-2.9	28.2
Top 1 Percent	94.1	5.9	6.6	n/a	-60,321	-13.0	-3.4	22.6	-4.4	29.2
Top 0.5 Percent	96.2	3.9	7.2	n/a	-102,992	-13.7	-2.9	18.2	-4.7	29.8
Top 0.1 Percent	98.9	1.1	7.8	n/a	-312,464	-13.6	-1.8	11.1	-4.9	31.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4	
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6	
Middle Quintile	30,935.0	20.0	41,886.0	7,036.0	34,851	16.8	11.3	12.4	7.9	
Fourth Quintile	30,943.0	20.0	72,976.0	15,519.0	57,456	21.3	19.6	20.4	17.4	
Top Quintile	30,945.0	20.0	225,458.0	64,024.0	161,433	28.4	60.7	57.2	71.6	
All	154,718.0	100.0	74,322.0	17,878.0	56,444	24.1	100.0	100.0	100.0	
Addendum										
Top 10 Percent	15,472.0	10.0	334,549.0	99,918.0	234,631	29.9	45.0	41.6	55.9	
Top 5 Percent	7,734.0	5.0	502,540.0	156,216.0	346,324	31.1	33.8	30.7	43.7	
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,949.0	920,591	33.5	18.6	16.3	26.0	
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,606.0	1,428,875	34.5	14.7	12.7	21.1	
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,167.0	4,021,917	36.4	8.5	7.1	12.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA. Lump sum financing requires an additional levy of \$1,686 on each tax unit.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 29
Combined Effect of 2001-2006 Tax Cuts with Financing Proportional to Income
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.4	92.3	-2.0	n/a	175	46.6	0.2	0.6	1.9	5.9
Second Quintile	27.3	72.6	-0.5	n/a	97	4.2	0.1	2.7	0.4	10.2
Middle Quintile	32.5	67.5	-0.4	n/a	136	1.9	0.2	8.0	0.3	17.1
Fourth Quintile	21.8	78.2	-0.6	n/a	350	2.3	0.4	17.8	0.5	21.8
Top Quintile	20.8	79.1	0.4	n/a	-693	-1.1	-0.8	70.9	-0.3	28.1
All	21.1	77.6	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1
Addendum										
Top 10 Percent	20.4	79.6	0.8	n/a	-1,866	-1.9	-1.1	54.8	-0.6	29.3
Top 5 Percent	25.9	74.1	1.4	n/a	-4,821	-3.1	-1.4	42.3	-1.0	30.1
Top 1 Percent	69.1	30.9	3.3	n/a	-30,592	-6.6	-1.7	24.2	-2.2	31.3
Top 0.5 Percent	79.7	20.3	3.9	n/a	-55,181	-7.3	-1.5	19.5	-2.5	32.0
Top 0.1 Percent	87.6	12.4	4.3	n/a	-170,770	-7.4	-1.0	11.9	-2.7	33.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4	
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6	
Middle Quintile	30,935.0	20.0	41,886.0	7,036.0	34,851	16.8	11.3	12.4	7.9	
Fourth Quintile	30,943.0	20.0	72,976.0	15,519.0	57,456	21.3	19.6	20.4	17.4	
Top Quintile	30,945.0	20.0	225,458.0	64,024.0	161,433	28.4	60.7	57.2	71.6	
All	154,718.0	100.0	74,322.0	17,878.0	56,444	24.1	100.0	100.0	100.0	
Addendum										
Top 10 Percent	15,472.0	10.0	334,549.0	99,918.0	234,631	29.9	45.0	41.6	55.9	
Top 5 Percent	7,734.0	5.0	502,540.0	156,216.0	346,324	31.1	33.8	30.7	43.7	
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,949.0	920,591	33.5	18.6	16.3	26.0	
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,606.0	1,428,875	34.5	14.7	12.7	21.1	
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,167.0	4,021,917	36.4	8.5	7.1	12.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Tax cuts include individual income and estate tax provisions in EGTRRA, JCWA, JGTRRA, WFTRA, AJCA, TIPRA, and PPA. Lump sum financing requires an additional levy of \$1,686 on each tax unit.

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(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table 30
Combined Effect of 2001-2006 Tax Cuts with Financing Proportional to Tax Liability
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	13.9	24.4	-0.7	n/a	64	17.1	0.1	0.5	0.7	4.7
Second Quintile	58.0	13.2	0.8	n/a	-169	-7.4	-0.2	2.4	-0.7	9.0
Middle Quintile	50.3	37.4	1.1	n/a	-380	-5.4	-0.4	7.4	-0.9	15.9
Fourth Quintile	46.4	51.6	0.4	n/a	-200	-1.3	-0.2	17.1	-0.3	21.0
Top Quintile	26.2	73.3	-0.4	n/a	713	1.1	0.8	72.4	0.3	28.7
All	38.9	39.9	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1
Addendum										
Top 10 Percent	15.0	84.7	-0.5	n/a	1,275	1.3	0.7	56.6	0.4	30.3
Top 5 Percent	16.6	83.1	-0.3	n/a	1,073	0.7	0.3	44.0	0.2	31.3
Top 1 Percent	38.1	61.6	1.2	n/a	-11,311	-2.4	-0.6	25.3	-0.8	32.7
Top 0.5 Percent	50.5	49.1	1.7	n/a	-24,039	-3.2	-0.7	20.4	-1.1	33.4
Top 0.1 Percent	52.2	47.5	2.0	n/a	-80,565	-3.5	-0.5	12.4	-1.3	35.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4	
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6	
Middle Quintile	30,935.0	20.0	41,886.0	7,036.0	34,851	16.8	11.3	12.4	7.9	
Fourth Quintile	30,943.0	20.0	72,976.0	15,519.0	57,456	21.3	19.6	20.4	17.4	
Top Quintile	30,945.0	20.0	225,458.0	64,024.0	161,433	28.4	60.7	57.2	71.6	
All	154,718.0	100.0	74,322.0	17,878.0	56,444	24.1	100.0	100.0	100.0	
Addendum										
Top 10 Percent	15,472.0	10.0	334,549.0	99,918.0	234,631	29.9	45.0	41.6	55.9	
Top 5 Percent	7,734.0	5.0	502,540.0	156,216.0	346,324	31.1	33.8	30.7	43.7	
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,949.0	920,591	33.5	18.6	16.3	26.0	
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,606.0	1,428,875	34.5	14.7	12.7	21.1	
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,167.0	4,021,917	36.4	8.5	7.1	12.9	

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