

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2026 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.4	94.7	0.3	17.0	50	6.2	0.8	0.8	4.2	4.4
Second Quintile	6.4	93.6	0.2	25.6	90	1.9	4.0	4.0	9.9	10.1
Middle Quintile	5.9	94.2	0.1	25.1	100	0.7	10.4	10.4	15.2	15.3
Fourth Quintile	6.8	93.2	0.1	26.7	130	0.4	18.4	18.5	18.9	19.0
Top Quintile	2.1	97.9	0.0	5.5	30	0.0	66.1	66.0	26.9	26.9
All	5.4	94.6	0.1	100.0	80	0.3	100.0	100.0	21.3	21.3
Addendum										
80-90	3.9	96.2	0.0	5.3	60	0.1	14.6	14.6	21.9	22.0
90-95	0.3	99.7	0.0	0.2	*	0.0	11.2	11.2	24.2	24.2
95-99	0.1	99.9	0.0	0.0	*	0.0	16.8	16.8	27.7	27.7
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	23.5	23.4	32.6	32.6
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	10.8	10.7	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2026 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	48,590	26.2	20,110	4.0	840	0.8	19,270	4.9	4.2	
Second Quintile	41,180	22.2	50,240	8.5	4,980	4.0	45,260	9.8	9.9	
Middle Quintile	38,100	20.5	92,420	14.5	14,060	10.4	78,360	15.6	15.2	
Fourth Quintile	30,730	16.6	163,500	20.7	30,920	18.4	132,580	21.3	18.9	
Top Quintile	25,380	13.7	499,290	52.2	134,390	66.1	364,900	48.5	26.9	
All	185,520	100.0	130,790	100.0	27,800	100.0	102,990	100.0	21.3	
Addendum										
80-90	13,010	7.0	263,870	14.2	57,850	14.6	206,010	14.0	21.9	
90-95	6,360	3.4	376,090	9.9	91,000	11.2	285,090	9.5	24.2	
95-99	4,840	2.6	647,790	12.9	179,340	16.8	468,450	11.9	27.7	
Top 1 Percent	1,170	0.6	3,168,390	15.3	1,033,890	23.5	2,134,490	13.1	32.6	
Top 0.1 Percent	120	0.1	13,949,660	6.9	4,600,360	10.8	9,349,310	5.9	33.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

Number of AMT Taxpayers (millions). Baseline: 7.6 Proposal: 7.6

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2022 dollars): 20% \$31,500; 40% \$62,000; 60% \$110,100; 80% \$199,500; 90% \$289,900; 95% \$416,700; 99% \$1,008,900; 99.9% \$4,536,000.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.3	94.7	0.3	12.8	50	16.5	0.2	0.3	1.5	1.7
Second Quintile	7.0	93.0	0.2	25.3	100	2.4	3.0	3.1	8.9	9.1
Middle Quintile	7.6	92.4	0.2	34.1	130	1.2	8.5	8.5	13.9	14.1
Fourth Quintile	6.0	94.0	0.1	25.0	110	0.4	17.6	17.7	18.4	18.5
Top Quintile	0.9	99.1	0.0	2.6	10	0.0	70.4	70.2	26.6	26.6
All	5.4	94.6	0.1	100.0	80	0.3	100.0	100.0	21.3	21.3
Addendum										
80-90	1.6	98.4	0.0	2.5	20	0.1	15.5	15.5	21.7	21.7
90-95	0.2	99.8	0.0	0.1	*	0.0	12.2	12.1	23.9	23.9
95-99	*	**	0.0	0.0	0	0.0	18.1	18.1	27.2	27.2
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	24.6	24.5	32.4	32.4
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	11.3	11.2	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	40,590	21.9	19,090	3.2	280	0.2	18,810	4.0	1.5	
Second Quintile	38,900	21.0	45,150	7.2	4,000	3.0	41,150	8.4	8.9	
Middle Quintile	37,870	20.4	82,720	12.9	11,520	8.5	71,200	14.1	13.9	
Fourth Quintile	34,560	18.6	142,720	20.3	26,320	17.6	116,400	21.1	18.4	
Top Quintile	32,060	17.3	426,290	56.3	113,220	70.4	313,080	52.5	26.6	
All	#####	100.0	130,790	100.0	27,800	100.0	102,990	100.0	21.3	
Addendum										
80-90	16,340	8.8	226,030	15.2	48,990	15.5	177,040	15.1	21.7	
90-95	8,090	4.4	324,260	10.8	77,490	12.2	246,780	10.5	23.9	
95-99	6,190	3.3	556,370	14.2	151,080	18.1	405,290	13.1	27.2	
Top 1 Percent	1,440	0.8	2,716,130	16.1	881,130	24.6	1,835,000	13.8	32.4	
Top 0.1 Percent	150	0.1	12,160,540	7.3	4,009,120	11.3	8,151,420	6.2	33.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

Number of AMT Taxpayers (millions). Baseline: 7.6 Proposal: 7.6

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.6	94.5	0.3	21.0	50	6.5	1.5	1.6	4.8	5.1
Second Quintile	7.3	92.7	0.3	34.9	100	2.7	5.9	6.1	9.8	10.1
Middle Quintile	5.8	94.2	0.2	32.3	100	1.1	14.1	14.2	14.7	14.9
Fourth Quintile	2.9	97.1	0.1	11.5	50	0.2	22.5	22.5	19.5	19.5
Top Quintile	0.2	99.8	0.0	0.3	*	0.0	55.6	55.4	26.9	26.9
All	5.0	95.0	0.1	100.0	70	0.5	100.0	100.0	19.6	19.7
Addendum										
80-90	0.3	99.7	0.0	0.2	*	0.0	15.2	15.2	22.8	22.8
90-95	0.1	100.0	0.0	0.0	0	0.0	10.3	10.3	24.6	24.6
95-99	*	**	0.0	0.0	0	0.0	13.8	13.8	27.6	27.6
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	16.3	16.2	34.0	34.0
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	7.6	7.5	35.1	35.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	26,230	28.4	15,380	6.1	740	1.5	14,640	7.2	4.8	
Second Quintile	21,750	23.6	36,030	11.9	3,530	5.9	32,500	13.3	9.8	
Middle Quintile	19,350	21.0	64,130	18.8	9,430	14.1	54,700	19.9	14.7	
Fourth Quintile	14,340	15.6	104,540	22.7	20,340	22.5	84,200	22.7	19.5	
Top Quintile	9,690	10.5	276,350	40.5	74,330	55.6	202,010	36.8	26.9	
All	92,220	100.0	71,730	100.0	14,030	100.0	57,700	100.0	19.6	
Addendum										
80-90	5,340	5.8	162,130	13.1	36,930	15.2	125,200	12.6	22.8	
90-95	2,330	2.5	233,380	8.2	57,330	10.3	176,060	7.7	24.6	
95-99	1,670	1.8	387,360	9.8	106,900	13.8	280,460	8.8	27.6	
Top 1 Percent	340	0.4	1,820,500	9.4	618,850	16.3	1,201,660	7.7	34.0	
Top 0.1 Percent	30	0.0	8,528,710	4.2	2,991,190	7.6	5,537,530	3.4	35.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.1	94.9	0.2	4.4	50	9.0	0.1	0.1	2.0	2.1
Second Quintile	7.7	92.3	0.2	13.8	110	2.6	1.1	1.1	7.2	7.4
Middle Quintile	10.2	89.8	0.2	34.2	190	1.4	5.0	5.0	12.7	12.9
Fourth Quintile	9.3	90.7	0.1	42.3	180	0.6	15.0	15.0	17.6	17.7
Top Quintile	1.3	98.7	0.0	5.2	20	0.0	78.6	78.5	26.4	26.4
All	6.3	93.7	0.1	100.0	110	0.2	100.0	100.0	22.7	22.7
Addendum										
80-90	2.5	97.5	0.0	5.0	40	0.1	16.1	16.1	21.2	21.2
90-95	0.3	99.7	0.0	0.2	*	0.0	13.4	13.4	23.7	23.7
95-99	*	**	0.0	0.0	*	0.0	21.0	21.0	27.0	27.0
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	28.2	28.1	32.2	32.2
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	12.3	12.3	32.7	32.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,600	10.2	25,760	1.1	510	0.1	25,250	1.4	2.0	
Second Quintile	8,700	13.4	59,030	3.4	4,240	1.1	54,790	4.1	7.2	
Middle Quintile	12,370	19.1	107,610	8.8	13,690	5.0	93,920	10.0	12.7	
Fourth Quintile	16,460	25.3	176,570	19.3	31,110	15.0	145,460	20.5	17.6	
Top Quintile	20,330	31.3	500,730	67.5	132,300	78.6	368,430	64.2	26.4	
All	64,970	100.0	232,360	100.0	52,660	100.0	179,700	100.0	22.7	
Addendum										
80-90	9,860	15.2	263,300	17.2	55,740	16.1	207,560	17.5	21.2	
90-95	5,240	8.1	369,770	12.8	87,570	13.4	282,200	12.7	23.7	
95-99	4,220	6.5	630,170	17.6	170,270	21.0	459,890	16.6	27.0	
Top 1 Percent	1,010	1.6	2,954,060	19.8	952,040	28.2	2,002,020	17.4	32.2	
Top 0.1 Percent	100	0.2	13,032,920	8.5	4,262,190	12.3	8,770,730	7.4	32.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	4.8	95.2	0.2	17.2	50	-2.9	-4.3	-4.1	-6.3	-6.1
Second Quintile	6.1	93.9	0.2	35.8	100	2.1	12.5	12.7	8.5	8.7
Middle Quintile	9.4	90.6	0.2	39.3	160	1.2	24.6	24.7	14.5	14.7
Fourth Quintile	4.6	95.4	0.0	6.9	50	0.2	28.3	28.2	19.8	19.9
Top Quintile	0.5	99.5	0.0	0.6	10	0.0	38.8	38.5	26.0	26.0
All	6.0	94.0	0.1	100.0	90	0.7	100.0	100.0	14.8	14.9
Addendum										
80-90	0.8	99.2	0.0	0.6	20	0.0	12.6	12.5	22.8	22.8
90-95	0.1	99.9	0.0	0.0	*	0.0	6.9	6.8	23.0	23.0
95-99	0.0	100.0	0.0	0.0	0	0.0	6.1	6.0	27.0	27.0
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.4	13.3	32.0	32.0
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	8.3	8.2	32.6	32.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,240	30.8	26,620	10.0	-1,680	-4.3	28,290	12.5	-6.3	
Second Quintile	7,410	31.5	56,140	21.7	4,790	12.5	51,350	23.3	8.5	
Middle Quintile	5,000	21.3	96,070	25.0	13,960	24.6	82,110	25.1	14.5	
Fourth Quintile	2,690	11.4	151,080	21.2	29,950	28.3	121,130	19.9	19.8	
Top Quintile	1,130	4.8	375,900	22.1	97,830	38.8	278,070	19.2	26.0	
All	23,520	100.0	81,630	100.0	12,080	100.0	69,550	100.0	14.8	
Addendum										
80-90	690	2.9	227,310	8.2	51,710	12.6	175,600	7.4	22.8	
90-95	290	1.2	297,130	4.4	68,420	6.9	228,710	4.0	23.0	
95-99	120	0.5	533,400	3.3	144,010	6.1	389,400	2.9	27.0	
Top 1 Percent	30	0.1	3,542,900	6.2	1,132,640	13.4	2,410,250	4.9	32.0	
Top 0.1 Percent	*	0.0	22,983,060	3.8	7,495,970	8.3	15,487,090	3.0	32.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	7.0	93.1	0.2	9.3	70	-4.5	-0.8	-0.7	-5.4	-5.1
Second Quintile	9.3	90.7	0.3	19.9	140	2.5	2.9	3.0	9.1	9.4
Middle Quintile	14.9	85.1	0.3	35.2	280	1.6	8.1	8.2	15.2	15.5
Fourth Quintile	13.9	86.1	0.2	32.4	260	0.7	18.0	18.1	20.1	20.2
Top Quintile	1.8	98.2	0.0	3.0	30	0.0	71.6	71.4	28.0	28.0
All	9.4	90.6	0.1	100.0	150	0.4	100.0	100.0	22.5	22.6
Addendum										
80-90	3.4	96.6	0.0	2.9	50	0.1	15.4	15.4	23.1	23.1
90-95	0.4	99.6	0.0	0.1	*	0.0	11.7	11.7	25.5	25.5
95-99	0.1	99.9	0.0	0.0	*	0.0	18.6	18.6	28.8	28.8
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	25.9	25.8	32.9	32.9
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	11.0	11.0	32.8	32.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,960	21.3	27,510	3.2	-1,480	-0.8	28,990	4.3	-5.4	
Second Quintile	11,190	21.7	60,840	7.2	5,550	2.9	55,290	8.4	9.1	
Middle Quintile	9,960	19.3	113,570	11.9	17,310	8.1	96,260	13.0	15.2	
Fourth Quintile	9,800	19.0	195,660	20.2	39,290	18.0	156,380	20.8	20.1	
Top Quintile	9,420	18.3	582,040	57.7	162,720	71.6	419,320	53.6	28.0	
All	51,570	100.0	184,240	100.0	41,500	100.0	142,740	100.0	22.5	
Addendum										
80-90	4,760	9.2	300,020	15.0	69,290	15.4	230,740	14.9	23.1	
90-95	2,300	4.5	428,340	10.4	109,200	11.7	319,140	10.0	25.5	
95-99	1,870	3.6	739,420	14.6	212,680	18.6	526,740	13.4	28.8	
Top 1 Percent	490	1.0	3,430,800	17.7	1,127,010	25.9	2,303,800	15.4	32.9	
Top 0.1 Percent	50	0.1	15,269,160	7.6	5,011,610	11.0	10,257,550	6.6	32.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

* Non-zero value rounded to zero; ** Insufficient data

Note: Tax units with children are those claiming an exemption for children at home or away from home or with children qualifying for the Child Tax Credit or EITC.

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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

Table T22-0260
Tax Benefit of Education Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes ⁶	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.3	99.7	0.0	8.0	*	1.2	0.2	0.2	1.2	1.3
Second Quintile	0.3	99.7	0.0	11.3	*	0.2	1.8	1.8	3.3	3.3
Middle Quintile	0.5	99.5	0.0	34.3	10	0.2	7.3	7.3	7.9	7.9
Fourth Quintile	0.8	99.2	0.0	40.3	20	0.1	15.1	15.1	12.8	12.8
Top Quintile	0.2	99.8	0.0	5.9	*	0.0	74.9	74.9	24.6	24.6
All	0.4	99.6	0.0	100.0	10	0.0	100.0	100.0	17.0	17.0
Addendum										
80-90	0.4	99.6	0.0	4.9	10	0.0	13.4	13.4	17.1	17.1
90-95	0.1	99.9	0.0	1.1	*	0.0	10.2	10.2	20.0	20.0
95-99	0.0	100.0	0.0	0.0	0	0.0	17.6	17.6	24.9	24.9
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	33.7	33.7	32.4	32.4
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	18.1	18.1	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	9,870	19.1	19,000	3.2	240	0.2	18,770	3.8	1.2
Second Quintile	12,800	24.8	41,270	9.1	1,370	1.8	39,900	10.6	3.3
Middle Quintile	11,940	23.2	76,370	15.7	6,030	7.3	70,340	17.4	7.9
Fourth Quintile	9,040	17.5	129,580	20.2	16,540	15.1	113,040	21.2	12.8
Top Quintile	7,260	14.1	414,090	51.8	101,930	74.9	312,160	47.0	24.6
All	51,570	100.0	112,670	100.0	19,170	100.0	93,500	100.0	17.0
Addendum									
80-90	3,800	7.4	204,040	13.3	34,790	13.4	169,250	13.3	17.1
90-95	1,720	3.3	292,730	8.7	58,460	10.2	234,270	8.4	20.0
95-99	1,380	2.7	506,310	12.0	126,240	17.6	380,070	10.9	24.9
Top 1 Percent	370	0.7	2,806,300	17.7	907,870	33.7	1,898,430	14.5	32.4
Top 0.1 Percent	50	0.1	11,687,100	9.3	3,855,950	18.1	7,831,150	7.5	33.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

* Non-zero value rounded to zero; ** Insufficient data

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law as of December 21, 2022. Table shows the combined tax benefit of the American Opportunity Tax Credit (AOTC) and the Lifetime Learning tax credit. For more information on TPC's baseline definitions, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2022 dollars): 20% \$22,400; 40% \$43,500; 60% \$73,900; 80% \$122,700; 90% \$177,900; 95% \$250,200; 99% \$587,300; 99.9% \$2,614,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

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

(6) For income categories for which the baseline tax burden is negative, a negative value for the tax benefit as a percent of federal tax indicates a net increase in federal subsidies, and a positive value indicates a net decrease in federal subsidies.

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