

Table T06-0273
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.