

**Table T06-0274**  
**Combined Effect of the 2001-2006 Tax Cuts**  
**Distribution of Federal Tax Change by Cash Income Class, 2007<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	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, 2007<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	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
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.