

Table T06-0278
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.