

Table T06-0284
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.