

**Table T06-0300**  
**Combined Effect of 2001-2006 Tax Cuts with Lump Sum Financing**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <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
Lowest Quintile	0.1	99.9	-18.5	n/a	1,649	439.9	1.8	2.2	17.7	21.7
Second Quintile	2.3	97.7	-5.9	n/a	1,249	54.6	1.4	4.0	5.3	15.1
Middle Quintile	11.1	88.9	-2.5	n/a	872	12.4	1.0	8.8	2.1	18.9
Fourth Quintile	22.5	77.5	-0.7	n/a	381	2.5	0.4	17.8	0.5	21.8
Top Quintile	61.3	38.7	2.6	n/a	-4,123	-6.4	-4.6	67.0	-1.8	26.6
All	19.5	80.5	0.0	n/a	0	0.0	0.0	100.0	0.0	24.1
<b>Addendum</b>										
Top 10 Percent	60.0	40.0	3.3	n/a	-7,771	-7.8	-4.4	51.5	-2.3	27.5
Top 5 Percent	64.9	35.1	4.2	n/a	-14,537	-9.3	-4.1	39.6	-2.9	28.2
Top 1 Percent	94.1	5.9	6.6	n/a	-60,321	-13.0	-3.4	22.6	-4.4	29.2
Top 0.5 Percent	96.2	3.9	7.2	n/a	-102,992	-13.7	-2.9	18.2	-4.7	29.8
Top 0.1 Percent	98.9	1.1	7.8	n/a	-312,464	-13.6	-1.8	11.1	-4.9	31.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <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 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	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6
Middle Quintile	30,935.0	20.0	41,886.0	7,036.0	34,851	16.8	11.3	12.4	7.9
Fourth Quintile	30,943.0	20.0	72,976.0	15,519.0	57,456	21.3	19.6	20.4	17.4
Top Quintile	30,945.0	20.0	225,458.0	64,024.0	161,433	28.4	60.7	57.2	71.6
All	154,718.0	100.0	74,322.0	17,878.0	56,444	24.1	100.0	100.0	100.0
<b>Addendum</b>									
Top 10 Percent	15,472.0	10.0	334,549.0	99,918.0	234,631	29.9	45.0	41.6	55.9
Top 5 Percent	7,734.0	5.0	502,540.0	156,216.0	346,324	31.1	33.8	30.7	43.7
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,949.0	920,591	33.5	18.6	16.3	26.0
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,606.0	1,428,875	34.5	14.7	12.7	21.1
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,167.0	4,021,917	36.4	8.5	7.1	12.9

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. Lump sum financing requires an additional levy of \$1,686 on each tax unit.

(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.