

T06-0330
**Tax Benefits of the Hope Credit, Lifetime Learning Credit, Deduction for
Higher Education Expenses, and Student Loan Interest Deduction:
By Adjusted Gross Income Class, 2005¹**

Adjusted Gross Income Class (thousands of current dollars) ²	All Tax Units ³		Tax Units with Benefit ⁴			Tax Benefits		Benefit as Percent of After- Tax Income ⁶		Average Tax Benefit	
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Total	Percent within Class ⁵	Dollars (millions)	Percent of Total	All Tax Units	Tax Units with Benefit	All Tax Units	Tax Units with Benefit
Less than 10	35,016	16,206.1	611	4.1	1.7	10	0.1	0.01	0.3	0	17
10-20	23,171	10,724.1	2,046	13.6	8.8	666	8.0	0.21	2.4	29	325
20-30	18,169	8,409.1	2,342	15.5	12.9	1,297	15.5	0.34	2.6	71	554
30-40	13,599	6,294.0	2,057	13.6	15.1	1,305	15.6	0.35	2.3	96	635
40-50	10,747	4,973.8	1,636	10.9	15.2	1,101	13.1	0.29	1.9	102	673
50-75	18,350	8,492.8	3,003	19.9	16.4	1,988	23.7	0.23	1.4	108	662
75-100	10,839	5,016.3	2,137	14.2	19.7	1,519	18.1	0.22	1.1	140	711
100-200	11,036	5,107.7	1,149	7.6	10.4	489	5.8	0.05	0.5	44	425
200-500	2,675	1,237.9	0	0.0	0.0	0	0.0	0.00	0.0	0	0
500-1,000	423	195.6	0	0.0	0.0	0	0.0	0.00	0.0	0	0
More than 1,000	216	100.0	0	0.0	0.0	0	0.0	0.00	0.0	0	0
All	145,321	67,257.6	15,072	100.0	10.4	8,375	100.0	0.16	1.4	58	556

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-5).

(1) Calendar year. Benefits are measured as the reduction in tax liability on returns claiming the Hope credit and/or lifetime learning credit plus the value of higher education expenses and student loan interest deducted multiplied by the marginal rate in the taxpayer's current bracket.

(2) Tax units with negative adjusted gross income are excluded from the lowest income class but are included in the totals.

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) Tax units with benefit includes only those tax units that claim the Hope credit or lifetime learning credit, or that deduct expenses for higher education or student loan interest.

(5) Percent of tax units within each adjusted gross income class that receives a tax benefit from the Hope credit, lifetime learning credit, deduction for higher education expenses, or student loan interest deduction.

(6) After-tax income is adjusted gross income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.