

T06-0331
Tax Benefits of the Hope Credit:
By Cash Income Class, 2005¹

| Cash 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 | 19,277 | 13.3 | 3 | 0.2 | 0.0 | 0 | 0.0 | 0.00 | 1.1 | 0 | 95 |
| 10-20 | 25,883 | 17.8 | 131 | 6.1 | 0.5 | 77 | 3.4 | 0.02 | 4.1 | 3 | 584 |
| 20-30 | 20,312 | 14.0 | 258 | 12.1 | 1.3 | 263 | 11.5 | 0.06 | 4.7 | 13 | 1,019 |
| 30-40 | 15,678 | 10.8 | 265 | 12.4 | 1.7 | 283 | 12.4 | 0.06 | 3.5 | 18 | 1,068 |
| 40-50 | 11,515 | 7.9 | 259 | 12.1 | 2.2 | 292 | 12.8 | 0.07 | 2.9 | 25 | 1,129 |
| 50-75 | 20,288 | 14.0 | 591 | 27.6 | 2.9 | 685 | 30.0 | 0.07 | 2.2 | 34 | 1,159 |
| 75-100 | 12,187 | 8.4 | 413 | 19.3 | 3.4 | 522 | 22.8 | 0.06 | 1.8 | 43 | 1,263 |
| 100-200 | 14,849 | 10.2 | 215 | 10.1 | 1.4 | 160 | 7.0 | 0.01 | 0.8 | 11 | 744 |
| 200-500 | 3,846 | 2.6 | 3 | 0.2 | 0.1 | 4 | 0.2 | 0.00 | 0.4 | 1 | 1,239 |
| 500-1,000 | 627 | 0.4 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.00 | 0.1 | 0 | 1,004 |
| More than 1,000 | 298 | 0.2 | 0 | 0.0 | 0.0 | 0 | 0.0 | 0.00 | 0.1 | 0 | 775 |
| All | 145,321 | 100.0 | 2,138 | 100.0 | 1.5 | 2,286 | 100.0 | 0.03 | 2.2 | 16 | 1,069 |

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

(1) Calendar year. Benefits of the Hope credit are measured as the reduction in tax liability on returns claiming the credit.

(2) Tax units with negative cash 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.

(5) Percent of tax units within each cash income class that receives a tax benefit from the Hope credit.

(6) 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.