

**T06-0332**  
**Tax Benefits of the Lifetime Learning Credit:**  
**By Cash Income Class, 2005<sup>1</sup>**

Cash Income Class (thousands of current dollars) <sup>2</sup>	All Tax Units <sup>3</sup>		Tax Units with Benefit <sup>4</sup>			Tax Benefits		Benefit as Percent of After- Tax Income <sup>6</sup>		Average Tax Benefit	
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Total	Percent within Class <sup>5</sup>	Dollars (millions)	Percent of Total	All Tax Units	Tax Units with Benefit	All Tax Units	Tax Units with Benefit
<b>Less than 10</b>	19,277	13.3	11	0.3	0.1	0	0.0	0.00	0.6	0	47
<b>10-20</b>	25,883	17.8	459	11.3	1.8	257	6.5	0.07	4.0	10	561
<b>20-30</b>	20,312	14.0	768	18.8	3.8	724	18.2	0.16	4.3	36	943
<b>30-40</b>	15,678	10.8	685	16.8	4.4	695	17.4	0.15	3.4	44	1,014
<b>40-50</b>	11,515	7.9	430	10.5	3.7	473	11.9	0.11	2.9	41	1,100
<b>50-75</b>	20,288	14.0	893	21.9	4.4	905	22.7	0.09	1.9	45	1,013
<b>75-100</b>	12,187	8.4	659	16.2	5.4	726	18.2	0.09	1.5	60	1,102
<b>100-200</b>	14,849	10.2	170	4.2	1.1	206	5.2	0.01	1.3	14	1,212
<b>200-500</b>	3,846	2.6	2	0.0	0.1	1	0.0	0.00	0.1	0	313
<b>500-1,000</b>	627	0.4	0	0.0	0.0	0	0.0	0.00	0.3	1	1,572
<b>More than 1,000</b>	298	0.2	0	0.0	0.0	0	0.0	0.00	0.0	0	779
<b>All</b>	145,321	100.0	4,077	100.0	2.8	3,987	100.0	0.06	2.3	27	978

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

- (1) Calendar year. Benefits of the lifetime learning 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 lifetime learning credit.
- (5) Percent of tax units within each cash income class that receives a tax benefit from the lifetime learning 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.