

Table T06-0275
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2008¹

Cash Income Class (thousands of 2006 dollars) 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
Less than 10	3.1	0.1	0.1	0.0	-4	-1.9	0.0	0.2	-0.1	4.1
10-20	45.2	0.5	1.1	1.9	-167	-19.9	-0.1	0.8	-1.1	4.3
20-30	76.6	0.3	2.4	5.0	-553	-18.5	-0.3	2.2	-2.1	9.5
30-40	86.0	0.1	2.5	5.2	-759	-13.2	-0.2	3.4	-2.1	13.7
40-50	92.2	0.1	2.3	4.8	-873	-10.2	-0.1	4.2	-1.9	16.5
50-75	97.0	0.1	2.4	11.5	-1,203	-9.1	0.0	11.3	-1.9	18.7
75-100	97.0	0.2	2.4	10.1	-1,687	-8.4	0.1	10.9	-1.9	20.5
100-200	95.0	0.1	2.4	19.4	-2,492	-7.0	0.5	25.3	-1.8	23.5
200-500	92.1	0.1	2.1	9.6	-4,532	-5.4	0.6	16.7	-1.5	26.7
500-1,000	98.8	0.0	4.6	8.0	-22,630	-10.5	-0.1	6.7	-3.2	27.2
More than 1,000	99.5	0.0	6.2	24.4	-130,423	-11.5	-0.5	18.4	-4.0	31.0
All	72.0	0.2	2.8	100.0	-1,492	-9.0	0.0	100.0	-2.1	21.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2008¹

Cash Income Class (thousands of 2006 dollars) 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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	18,164	12.0	5,810	241	5,569	4.2	1.0	1.3	0.2
10-20	25,275	16.8	15,564	842	14,722	5.4	3.7	4.6	0.9
20-30	20,401	13.5	25,811	2,994	22,817	11.6	5.0	5.8	2.4
30-40	15,452	10.2	36,328	5,750	30,578	15.8	5.3	5.9	3.5
40-50	12,430	8.2	46,686	8,574	38,111	18.4	5.5	5.9	4.2
50-75	21,580	14.3	64,226	13,200	51,027	20.6	13.2	13.7	11.3
75-100	13,470	8.9	90,172	20,149	70,023	22.4	11.5	11.8	10.8
100-200	17,502	11.6	140,584	35,566	105,018	25.3	23.3	22.9	24.8
200-500	4,784	3.2	299,277	84,387	214,890	28.2	13.6	12.8	16.1
500-1,000	793	0.5	707,298	215,190	492,108	30.4	5.3	4.9	6.8
More than 1,000	421	0.3	3,228,212	1,129,692	2,098,520	35.0	12.9	11.0	18.9
All	150,867	100.0	69,872	16,671	53,201	23.9	100.0	100.0	100.0

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 income class 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.