

Table T06-0276
Combined Effect of the 2001-2006 Tax Cuts
Distribution of Federal Tax Change by Cash Income Class, 2009¹

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	3.4	0.1	0.1	0.0	-5	-2.1	0.0	0.2	-0.1	4.2
10-20	45.4	0.6	1.2	1.9	-173	-19.8	-0.1	0.7	-1.1	4.4
20-30	75.6	0.3	2.4	5.0	-550	-18.1	-0.3	2.2	-2.1	9.5
30-40	85.3	0.1	2.5	5.4	-771	-13.2	-0.2	3.4	-2.1	13.6
40-50	91.3	0.1	2.3	4.9	-880	-10.0	-0.1	4.2	-1.8	16.6
50-75	96.3	0.2	2.3	11.6	-1,203	-8.9	0.0	11.4	-1.8	18.9
75-100	96.4	0.2	2.4	10.2	-1,676	-8.1	0.1	11.0	-1.8	20.7
100-200	93.9	0.1	2.4	20.1	-2,509	-6.8	0.5	26.1	-1.8	23.8
200-500	90.9	0.1	2.2	10.3	-4,685	-5.4	0.6	17.1	-1.5	26.9
500-1,000	98.5	0.1	4.7	8.2	-23,595	-10.7	-0.1	6.5	-3.3	27.4
More than 1,000	99.2	0.0	6.3	22.2	-124,037	-11.1	-0.5	17.0	-4.0	32.2
All	72.0	0.2	2.8	100.0	-1,487	-8.7	0.0	100.0	-2.1	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2009¹

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	
Less than 10	17,677	11.6	5,908	250	5,658	4.2	1.0	1.2	0.2
10-20	25,125	16.5	15,917	873	15,044	5.5	3.7	4.6	0.8
20-30	20,689	13.6	26,341	3,044	23,296	11.6	5.0	5.8	2.4
30-40	15,800	10.4	37,089	5,824	31,265	15.7	5.4	6.0	3.5
40-50	12,740	8.4	47,763	8,794	38,969	18.4	5.6	6.0	4.3
50-75	21,849	14.3	65,664	13,578	52,086	20.7	13.2	13.8	11.4
75-100	13,775	9.0	92,210	20,779	71,432	22.5	11.7	11.9	11.0
100-200	18,217	11.9	143,638	36,673	106,965	25.5	24.1	23.6	25.6
200-500	4,999	3.3	303,901	86,416	217,484	28.4	14.0	13.2	16.6
500-1,000	789	0.5	722,111	221,087	501,024	30.6	5.2	4.8	6.7
More than 1,000	406	0.3	3,089,077	1,119,346	1,969,731	36.2	11.5	9.7	17.4
All	152,651	100.0	71,202	17,099	54,102	24.0	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.