

Table T08-0008
Tax Benefits of Select Tax Expenditures for Economic Mobility
Distribution of Federal Tax Change by Cash Income Level, 2006¹
Summary Table

Cash Income Level (thousands of 2006 dollars) ²	Percent of Tax Units ³		Benefit as Percent of After-Tax Income ⁴	Share of Total Benefits	Average Benefit	Average Federal Tax Rate ⁵	
	With Benefit	Without Benefit				With Benefits	Without Benefits
Less than 10	28.3	71.7	5.3	1.6	287	3.9	9.0
10-20	53.8	46.2	5.9	6.1	837	4.5	10.1
20-30	67.2	32.8	4.4	5.6	991	9.8	13.8
30-40	72.2	27.8	2.9	3.8	880	14.0	16.6
40-50	73.1	26.9	2.7	3.4	994	16.6	18.8
50-75	83.0	17.0	2.9	8.7	1,456	18.5	20.8
75-100	92.0	8.1	3.3	8.2	2,282	20.0	22.6
100-200	96.5	3.5	4.9	22.9	5,063	22.4	26.2
200-500	98.2	1.8	5.8	14.8	12,370	25.6	29.9
500-1,000	98.6	1.4	5.3	5.4	26,163	27.7	31.6
More than 1,000	98.9	1.1	8.7	19.7	181,946	32.5	38.4
All	69.3	30.7	4.8	100.0	2,398	21.3	25.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 3.6 Proposal: 2.9

(1) Calendar year. Baseline is current law. Alternative repeals the Hope and Lifetime Learning credits, the student loan interest deduction, the home mortgage interest deduction, the state and local property tax deduction, the self-employed health insurance deduction, the earned income tax credit, the child and dependent care credit, the preferential rates on capital gains and dividends, the partial exclusion for Social Security benefits, and the exclusions and deductions for IRAs, Keogh plans, and defined contribution retirement savings plans.

(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 but excludes those that are dependents of other tax units.

(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.

Table T08-0008
Tax Benefits of Select Tax Expenditures for Economic Mobility
Distribution of Federal Tax Change by Cash Income Level, 2006 ¹
Detail Table

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Benefit as Percent of After-Tax Income ⁴	Share of Total Benefits	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Benefit	Without Benefit			Dollars	As Percent of Tax	With Benefits	Without Benefits	With Benefits	Without Benefits
Less than 10	28.3	71.7	5.3	1.6	287	129.2	0.2	0.4	3.9	9.0
10-20	53.8	46.2	5.9	6.1	837	125.2	0.9	1.6	4.5	10.1
20-30	67.2	32.8	4.4	5.6	991	41.0	2.4	2.9	9.8	13.8
30-40	72.2	27.8	2.9	3.8	880	18.0	3.7	3.7	14.0	16.6
40-50	73.1	26.9	2.7	3.4	994	13.4	4.4	4.3	16.6	18.8
50-75	83.0	17.0	2.9	8.7	1,456	12.8	11.9	11.4	18.5	20.8
75-100	92.0	8.1	3.3	8.2	2,282	13.3	10.9	10.5	20.0	22.6
100-200	96.5	3.5	4.9	22.9	5,063	16.8	24.0	23.8	22.4	26.2
200-500	98.2	1.8	5.8	14.8	12,370	16.8	15.5	15.4	25.6	29.9
500-1,000	98.6	1.4	5.3	5.4	26,163	13.9	6.8	6.6	27.7	31.6
More than 1,000	98.9	1.1	8.7	19.7	181,946	18.2	19.1	19.2	32.5	38.4
All	69.3	30.7	4.8	100.0	2,398	17.6	100.0	100.0	21.3	25.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2006 ¹

Cash Income Level (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	19,138	13.0	5,634	222	5,411	3.9	1.1	1.4	0.2
10-20	25,619	17.4	14,909	669	14,240	4.5	4.1	4.9	0.9
20-30	19,881	13.5	24,735	2,416	22,320	9.8	5.2	6.0	2.4
30-40	15,077	10.2	34,840	4,886	29,954	14.0	5.6	6.1	3.7
40-50	11,930	8.1	44,708	7,411	37,297	16.6	5.7	6.0	4.4
50-75	21,009	14.3	61,462	11,352	50,110	18.5	13.7	14.2	11.9
75-100	12,719	8.6	86,239	17,225	69,013	20.0	11.7	11.8	10.9
100-200	15,955	10.8	134,074	30,075	103,999	22.4	22.7	22.4	24.0
200-500	4,214	2.9	287,808	73,612	214,195	25.6	12.9	12.2	15.5
500-1,000	727	0.5	677,545	187,950	489,595	27.7	5.2	4.8	6.8
More than 1,000	383	0.3	3,081,101	1,000,082	2,081,020	32.5	12.5	10.8	19.1
All	147,237	100.0	63,974	13,603	50,371	21.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 3.6 Proposal: 2.9

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