

Table T10-0278
Making Work Pay Credit versus Social Security Tax Cut
Baseline: Current Policy
Comparison of Benefits by Cash Income Level, 2011 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units (thousands) ³	Units Benefiting from Provision				Average Benefit, Among Units Benefiting (Dollars)		Units with Higher Benefit from			
		Making Work Pay Credit		Social Security Tax Cut		Making Work Pay Credit	Social Security Tax Cut	Making Work Pay Credit		Social Security Tax Cut	
		Number (thousands)	Percent	Number (thousands)	Percent			Number (thousands)	Benefit Difference	Number (thousands)	Benefit Difference
Less than 10	19,483	13,551	69.6	13,122	67.3	315	118	13,496	203	55	356
10-20	25,829	17,379	67.3	16,885	65.4	438	265	17,214	185	162	263
20-30	20,502	15,723	76.7	15,283	74.5	465	430	7,243	213	8,342	96
30-40	16,325	13,521	82.8	13,020	79.8	481	607	4,270	212	9,244	250
40-50	12,320	10,579	85.9	10,181	82.6	509	770	2,310	223	8,247	360
50-75	20,494	17,749	86.6	17,101	83.4	570	1,034	3,192	289	14,549	584
75-100	14,456	12,902	89.2	12,711	87.9	630	1,413	1,657	280	11,310	910
100-200	18,064	14,124	78.2	16,093	89.1	673	2,072	1,184	281	15,045	1,607
200-500	5,300	1,223	23.1	4,739	89.4	387	2,528	102	232	4,646	2,482
500-1,000	966	88	9.2	832	86.1	627	2,625	20	222	813	2,624
More than 1,000	451	21	4.6	393	87.1	671	2,674	4	272	388	2,672
All	155,368	117,362	75.5	120,846	77.8	508	934	51,063	210	72,929	876

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Social security tax cut reduces the OASDI tax rate on employees to 4.2%.

(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.