

T11-0231
Tax Units without Income Tax Liability Due to Addition of Tax Expenditure Provisions in 2011:
by Specific Tax Expenditure Provisions (Taken in Order Shown) That Eliminate Tax Liability

Cash Income Level (thousands of 2011 dollars)	All Units without Income Tax Due to Tax Expenditures	Elderly Tax Benefits ¹	Credits for Children and Working Poor ²	Exclusion of Other Cash Transfers ³	ATL			Education Credits ⁶	Other Credits ⁷	Reduced Rates on Capital Gains and Dividends ⁸
					Deductions and Tax- Exempt Interest ⁴	Itemized Deductions ⁵				
<i>Number of Units (thousands)</i>										
Lowest Quintile	8,825	6,482	608	771	387	143	234	190	10	
Second Quintile	17,299	7,798	6,342	770	422	414	1,026	365	162	
Middle Quintile	9,454	2,234	4,271	499	675	704	607	313	150	
Fourth Quintile	1,927	132	283	210	356	557	227	59	103	
Top Quintile	365	19	6	13	101	89	27	38	72	
All	37,870	16,665	11,510	2,263	1,942	1,907	2,120	965	497	
Addendum										
80-90	259	12	4	12	70	63	25	23	50	
90-95	45	1	0	0	12	12	1	11	9	
95-99	49	6 ⁺	0	1	14	10	1	4	12	
Top 1 Percent	12	*	2 ⁺	*	4	4	*	*	1	
Top 0.1 Percent	1	0	0	0	*	*	0	*	1	
<i>Percent of All Units without Income Tax Liability Due to Tax Expenditures ⁹</i>										
Lowest Quintile	100.0	73.5	6.9	8.7	4.4	1.6	2.6	2.2	0.1	
Second Quintile	100.0	45.1	36.7	4.5	2.4	2.4	5.9	2.1	0.9	
Middle Quintile	100.0	23.6	45.2	5.3	7.1	7.4	6.4	3.3	1.6	
Fourth Quintile	100.0	6.8	14.7	10.9	18.5	28.9	11.8	3.1	5.4	
Top Quintile	100.0	5.3	1.5	3.7	27.8	24.4	7.3	10.4	19.6	
All	100.0	44.0	30.4	6.0	5.1	5.0	5.6	2.5	1.3	
Addendum										
80-90	100.0	4.8	1.5	4.8	27.1	24.2	9.5	8.9	19.1	
90-95	100.0	1.2	0.0	0.0	27.1	26.3	1.8	24.3	19.3	
95-99	100.0	12.7	0.0	1.7	29.6	21.3	2.6	7.4	24.6	
Top 1 Percent	100.0	1.7	12.9	0.5	36.3	33.6	0.1	3.9	10.9	
Top 0.1 Percent	100.0	0.0	0.0	0.0	35.4	14.7	0.0	0.9	49.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

* Fewer than 500 tax units

+ These figures are anomalous because "cash income" includes rollovers to IRAs, which places some units with otherwise much lower incomes in high income classes.

¹ The extra standard deduction for the elderly, the exclusion of Social Security benefits in excess of the return of previously taxed contributions (which is assumed to be 15 percent of all beneficiaries), and the tax credit for the elderly.

² The child tax credit, the child and dependent care tax credit and the earned income tax credit.

³ Exclusion from income tax for cash transfers (other than unemployment benefits and Social Security benefits), including SSI, TANF, workers' comp, disability and

⁴ Allowance of all above-the-line deductions except deductions for costs of earning income (educator expenses, certain expenses of reservists, moving expenses, penalty for early withdrawal of savings, alimony paid), and the exemption of interest on state and local bonds.

⁵ Allowance of all itemized deductions except deductions for costs of earning income (job expenses and certain miscellaneous expenses subject to a 2 percent of AGI floor); gambling losses would be included but are not available on the tax return data file available to TPC for constructing its microsimulation model.

⁶ The American opportunity and lifetime learning credits.

⁷ All other credits (except the foreign tax credit), including the savers' and general business credits.

⁸ The special rate of zero on capital gains and qualified dividends that would otherwise be taxed at 10 percent or 15 percent. The special rate of 15 percent that applies to capital gains and qualified dividends that would otherwise be taxed at rates above 15 percent can also eliminate tax liability in combination with excess

⁹ Computed from unrounded counts of tax units

NOTE: Units with negative incomes are not shown separately but are included in the line for All units. The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2011 dollars): 20% \$16,812, 40% \$33,542, 60% \$59,486, 80% \$103,465, 90% \$163,173, 95% \$210,998, 99% \$532,613, 99.9% \$2,178,886.