

**Table T11-0304**  
**Tax Benefits of the American Opportunity Tax Credit**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2011<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as Percent of After-Tax Income <sup>5</sup>	Share of Total Benefits	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Tax	With Credit	Without Credit	With Credit	Without Credit
Lowest Quintile	6.2	93.8	0.6	18.2	52	67.6	0.2	0.3	0.8	1.4
Second Quintile	6.3	93.7	0.3	19.0	64	4.5	2.7	2.8	5.8	6.0
Middle Quintile	6.3	93.7	0.2	20.3	78	1.4	9.3	9.4	12.5	12.7
Fourth Quintile	7.1	92.9	0.2	20.8	96	0.7	18.2	18.2	16.6	16.7
Top Quintile	7.1	92.9	0.1	21.3	114	0.2	69.5	69.2	23.1	23.1
All	6.5	93.5	0.1	100.0	76	0.6	100.0	100.0	18.1	18.2
<b>Addendum</b>										
80-90	9.1	90.9	0.1	13.5	142	0.6	15.1	15.1	19.2	19.3
90-95	9.2	90.8	0.1	7.0	154	0.4	11.3	11.3	21.1	21.2
95-99	1.4	98.7	0.0	0.8	21	0.0	17.5	17.4	23.0	23.0
Top 1 Percent	0.3	99.7	0.0	0.0	4	0.0	25.6	25.4	27.6	27.6
Top 0.1 Percent	0.1	100.0	0.0	0.0	1	0.0	13.1	13.0	30.8	30.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2011<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,661	26.6	9,187	3.8	77	0.2	9,111	4.5	0.8	
Second Quintile	36,819	22.5	24,603	8.5	1,420	2.7	23,183	9.7	5.8	
Middle Quintile	32,344	19.7	44,639	13.5	5,592	9.3	39,047	14.4	12.5	
Fourth Quintile	26,761	16.3	79,524	19.9	13,168	18.2	66,356	20.3	16.6	
Top Quintile	23,243	14.2	251,746	54.6	58,040	69.5	193,707	51.3	23.1	
All	163,869	100.0	65,357	100.0	11,841	100.0	53,516	100.0	18.1	
<b>Addendum</b>										
80-90	11,775	7.2	130,276	14.3	24,948	15.1	105,329	14.1	19.2	
90-95	5,676	3.5	183,757	9.7	38,713	11.3	145,044	9.4	21.1	
95-99	4,619	2.8	320,086	13.8	73,520	17.5	246,566	13.0	23.0	
Top 1 Percent	1,173	0.7	1,530,773	16.8	422,727	25.6	1,108,046	14.8	27.6	
Top 0.1 Percent	120	0.1	6,859,873	7.7	2,113,515	13.1	4,746,357	6.5	30.8	

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

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 4.3

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal is current law without the American Opportunity Tax Credit. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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) 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.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) 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.

(6) 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.