

Table T04-0009
Combined Effect of EGTRRA and JGTRRA:
Distribution of Individual Income Tax Change by Cash Income Percentiles, 2004¹

Cash Income Class ²	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income ³	Percent of Total Income Tax Change	Average Income Tax Change (\$)	Average Income Tax Rate ⁴	
					Pre-EGTRRA	Current Law
Lowest Quintile	13.8	0.2	0.3	-17	-5.6	-5.8
Second Quintile	66.9	1.7	4.6	-292	-1.1	-2.7
Middle Quintile	84.0	2.1	9.4	-598	4.7	2.9
Fourth Quintile	97.4	2.4	17.1	-1,087	8.3	6.4
Top Quintile	99.2	3.5	68.7	-4,374	16.1	13.5
All	72.3	2.9	100.0	-1,274	11.5	9.3
Addendum						
Top 10 Percent	99.3	3.6	50.9	-6,486	18.1	15.4
Top 5 Percent	99.3	3.7	37.7	-9,596	19.9	17.2
Top 1 Percent	98.8	4.3	22.1	-28,187	22.8	19.8
Top 0.5 Percent	98.7	4.7	18.6	-47,288	23.5	20.3
Top 0.1 Percent	98.6	5.4	11.7	-149,516	24.8	21.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-1).

(1) Calendar year. Baseline is pre-EGTRRA law. Includes provisions affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT; the personal exemption phaseout (PEP); the limitation on itemized deductions (Pease); the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions. Excludes education provisions and phaseout of the estate tax.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis. For a description of cash income, see <http://taxpolicycenter.org/TaxModel/income.cfm>

(3) 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.

(4) Average individual income tax, net of refundable credits, as a percentage of average cash income.