

Table T04-0074
H.R. 4275: Extension of 10 Percent Income Tax Bracket
Distribution of Individual Income Tax Change by Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Tax Cut ⁴				Baseline	Proposal
Less than 10	20,301	14.0	*	*	*	**	3.4	3.4
10-20	26,357	18.1	14.6	0.1	3.4	-8	5.5	5.5
20-30	20,537	14.1	43.5	0.1	8.5	-24	11.2	11.1
30-40	15,633	10.8	69.1	0.1	11.1	-42	15.4	15.2
40-50	11,543	7.9	82.2	0.2	11.8	-60	17.5	17.3
50-75	20,112	13.8	90.5	0.2	29.6	-87	19.5	19.3
75-100	11,773	8.1	80.9	0.1	17.6	-88	21.2	21.1
100-200	14,039	9.7	58.8	0.1	15.6	-66	23.5	23.5
200-500	3,588	2.5	20.1	*	1.3	-22	26.4	26.4
500-1,000	593	0.4	56.8	*	0.7	-66	27.8	27.8
More than 1,000	284	0.2	68.7	*	0.4	-80	31.2	31.2
All	145,321	100.0	48.4	0.1	100.0	-41	21.3	21.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

* Less than 0.05 percent. ** Less than \$1 in absolute value.

(1) Calendar year. Baseline is current law. Provisions include: increasing the width of the 10 percent bracket to \$14,000 for married couples filing a joint return (\$7,000 for singles), indexed for inflation after 2003.

(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. Tax units that are dependents of other taxpayers are excluded from the analysis.

(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 (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.