

Table T05-0056
Effect of the 2001-2004 Tax Cuts Without Financing¹
Distribution of Federal Tax Change by Cash Income Class, 2005

Cash Income Class (thousands of 2003 dollars) ²	Number (thousands)	Tax Units ³		Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵			Change in Federal Tax Payments (percent)	Average Income Tax Rate			Change in Income Tax Payments (percent)
		Percent of Total	Percent with Tax Cut				Pre-EGTRRA	Current Law	Change		Pre-EGTRRA	Current Law	Change	
Less than 10	20,301	14.0	14.1	0.1	0.1	-6	3.4	3.3	-0.1	-2.8	-6.0	-6.1	-0.1	1.3
10-20	26,357	18.1	63.2	1.4	2.7	-206	6.7	5.4	-1.3	-20.0	-3.1	-4.4	-1.3	42.7
20-30	20,537	14.1	87.5	2.4	5.5	-546	12.9	10.8	-2.1	-16.5	2.1	0.0	-2.1	-100.9
30-40	15,633	10.8	92.7	2.2	5.1	-669	16.8	14.9	-1.9	-11.1	5.5	3.7	-1.8	-33.1
40-50	11,543	7.9	97.2	2.3	4.8	-853	18.8	17.0	-1.8	-9.8	7.1	5.3	-1.8	-25.2
50-75	20,112	13.8	99.4	2.4	12.0	-1,220	20.8	18.9	-1.9	-9.2	8.8	7.0	-1.8	-20.8
75-100	11,773	8.1	99.8	3.2	12.7	-2,191	22.9	20.4	-2.5	-10.7	10.4	8.2	-2.3	-21.7
100-200	14,039	9.7	99.8	3.5	25.1	-3,639	25.2	22.6	-2.6	-10.5	13.3	10.9	-2.4	-18.2
200-500	3,588	2.5	99.8	3.2	12.2	-6,917	27.9	25.5	-2.3	-8.3	18.0	15.9	-2.1	-11.7
500-1,000	593	0.4	99.7	3.9	5.5	-18,983	30.3	27.6	-2.7	-9.0	21.2	18.7	-2.5	-12.0
More than 1,000	284	0.2	99.8	5.3	14.3	-102,285	34.6	31.1	-3.5	-10.0	23.6	20.2	-3.4	-14.3
All	145,321	100.0	78.2	3.0	100.0	-1,402	23.0	20.7	-2.3	-10.2	11.7	9.5	-2.2	-18.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model.

(1) Baseline is pre-EGTRRA law. Tax cuts include EGTRRA, JCWA, JGTRRA, and WFTRA.

(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.