

February 16, 2005

Table T05-0053
Effect of the 2001-2004 Tax Cuts Without Financing¹
Distribution of Federal Tax Change by Cash Income Class, 2004

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	20,428	14.2	22.4	0.4	0.2	-21	3.7	3.3	-0.4	-9.6	-5.8	-5.9	-0.1	1.3
10-20	26,467	18.4	68.2	1.7	2.7	-238	6.7	5.2	-1.6	-23.3	-3.0	-4.3	-1.3	42.9
20-30	20,379	14.2	91.3	2.7	5.1	-589	12.9	10.6	-2.3	-18.0	2.1	0.1	-2.1	-97.6
30-40	15,377	10.7	95.8	2.5	4.8	-739	16.7	14.6	-2.1	-12.5	5.4	3.6	-1.8	-33.1
40-50	11,446	8.0	98.3	2.7	4.8	-991	18.8	16.6	-2.2	-11.6	7.0	5.2	-1.8	-25.8
50-75	20,054	14.0	99.6	2.8	11.8	-1,400	20.8	18.5	-2.2	-10.8	8.7	6.9	-1.8	-21.1
75-100	11,395	7.9	99.8	3.6	11.7	-2,436	22.8	20.1	-2.8	-12.1	10.3	8.1	-2.2	-21.7
100-200	13,281	9.3	99.9	4.1	23.2	-4,152	25.2	22.2	-3.1	-12.1	13.2	10.8	-2.4	-18.3
200-500	3,339	2.3	100.0	4.3	12.8	-9,067	27.9	24.8	-3.1	-11.1	17.9	15.8	-2.1	-11.7
500-1,000	527	0.4	99.9	5.4	5.8	-26,230	30.1	26.3	-3.8	-12.6	20.9	18.4	-2.5	-11.8
More than 1,000	257	0.2	99.9	8.2	17.0	-156,785	34.6	29.2	-5.4	-15.5	23.4	20.0	-3.4	-14.3
All	143,509	100.0	81.0	3.7	100.0	-1,654	22.8	19.9	-2.9	-12.6	11.4	9.2	-2.2	-19.1

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.