

Table T05-0104
Option #2: 15% refundability above \$10,000 and no indexing
Distribution of Federal Tax Benefits by Cash Income Class, 2010 ¹

| Cash Income Class (thousands of 2005 dollars) ² | Percent of Tax Units ³ | | Percent Change in After-Tax Income ⁴ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁵ | |
|--|-----------------------------------|----------------------|--|--|-------------------------------|---------|-------------------------------------|-----------------------|--|-----------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (%) Under the Proposal | Under the Proposal | Change (%) Under the Proposal | Under the Proposal |
| Less than 10 | 0.4 | 0.0 | 0.0 | 0.4 | 0 | -0.1 | 0.0 | 0.2 | 0.0 | 4.2 |
| 10-20 | 16.6 | 0.0 | 0.3 | 66.7 | -46 | -5.6 | -0.1 | 0.8 | -0.3 | 4.7 |
| 20-30 | 7.1 | 0.0 | 0.1 | 26.4 | -21 | -0.7 | 0.0 | 2.5 | -0.1 | 10.2 |
| 30-40 | 1.8 | 0.0 | 0.0 | 4.8 | -5 | -0.1 | 0.0 | 3.7 | 0.0 | 14.4 |
| 40-50 | 0.5 | 0.0 | 0.0 | 1.1 | -2 | 0.0 | 0.0 | 4.4 | 0.0 | 17.0 |
| 50-75 | 0.1 | 0.0 | 0.0 | 0.3 | 0 | 0.0 | 0.0 | 12.0 | 0.0 | 19.4 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 11.3 | 0.0 | 21.1 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 26.1 | 0.0 | 24.0 |
| 200-500 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 16.7 | 0.0 | 26.7 |
| 500-1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 6.4 | 0.0 | 26.4 |
| More than 1,000 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 15.9 | 0.0 | 30.2 |
| All | 4.0 | 0.0 | 0.0 | 100.0 | -11 | -0.1 | 0.0 | 100.0 | 0.0 | 21.8 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010 ¹

| Cash Income Class (thousands of 2005 dollars) ² | Tax Units ³ | | Average Income (Dollars) | Average Federal Tax Burden (Dollars) | Average After-Tax Income ⁴ (Dollars) | Average Federal Tax Rate ⁵ | Share of Pre- Tax Income Percent of Total | Share of Post-Tax Percent of Total | Share of Federal Percent of Total |
|--|------------------------|---------------------|--------------------------------|---|--|---|--|---|--|
| | Number (thousands) | Percent of Total | | | | | | | |
| Less than 10 | 17,298 | 11.2 | 6,190 | 257 | 5,933 | 4.2 | 0.9 | 1.2 | 0.2 |
| 10-20 | 24,828 | 16.1 | 16,653 | 831 | 15,822 | 5.0 | 3.6 | 4.4 | 0.8 |
| 20-30 | 21,679 | 14.1 | 27,490 | 2,835 | 24,655 | 10.3 | 5.3 | 6.0 | 2.5 |
| 30-40 | 16,440 | 10.7 | 38,628 | 5,575 | 33,053 | 14.4 | 5.6 | 6.1 | 3.7 |
| 40-50 | 12,893 | 8.4 | 49,638 | 8,449 | 41,189 | 17.0 | 5.6 | 6.0 | 4.4 |
| 50-75 | 22,442 | 14.6 | 68,192 | 13,199 | 54,993 | 19.4 | 13.5 | 13.9 | 11.9 |
| 75-100 | 13,870 | 9.0 | 95,865 | 20,227 | 75,638 | 21.1 | 11.7 | 11.8 | 11.3 |
| 100-200 | 18,051 | 11.7 | 149,322 | 35,879 | 113,443 | 24.0 | 23.7 | 23.1 | 26.1 |
| 200-500 | 4,875 | 3.2 | 317,752 | 84,858 | 232,894 | 26.7 | 13.6 | 12.8 | 16.7 |
| 500-1,000 | 794 | 0.5 | 752,123 | 198,874 | 553,249 | 26.4 | 5.3 | 4.9 | 6.4 |
| More than 1,000 | 408 | 0.3 | 3,203,897 | 966,312 | 2,237,585 | 30.2 | 11.5 | 10.3 | 15.9 |
| All | 154,170 | 100.0 | 73,696 | 16,094 | 57,602 | 21.8 | 100.0 | 100.0 | 100.0 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3a).

(1) Baseline is current law.

(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 (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash