

Table T05-0115
Option #5: 5% refundability above 5,000 and 15% refundability above \$13,650 indexed
Distribution of Federal Tax Benefits by Cash Income Percentile, 2005¹

Cash Income Percentile 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 (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	10.7	0.0	0.2	53.3	-18	-7.3	0.0	0.4	-0.2	3.0
Second Quintile	16.4	0.0	0.1	40.1	-13	-1.0	0.0	2.2	-0.1	7.1
Middle Quintile	3.7	0.0	0.0	5.8	-2	0.0	0.0	7.8	0.0	14.2
Fourth Quintile	0.3	0.0	0.0	0.5	0	0.0	0.0	17.5	0.0	18.4
Top Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	72.1	0.0	24.7
All	6.2	0.0	0.0	100.0	-7	-0.1	0.0	100.0	0.0	20.8
Addendum										
Top 10 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	56.6	0.0	26.2
Top 5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	44.6	0.0	27.4
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	26.6	0.0	29.7
Top 0.5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	21.5	0.0	30.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	31.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2005¹

Cash Income Percentile 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	Share of Post-Tax	Share of Federal
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	28,340	19.6	7,487	243	7,244	3.2	2.4	3.0	0.4
Second Quintile	28,910	20.0	19,134	1,378	17,757	7.2	6.3	7.4	2.2
Middle Quintile	28,916	20.0	34,409	4,882	29,527	14.2	11.4	12.3	7.8
Fourth Quintile	28,916	20.0	59,726	10,966	48,759	18.4	19.7	20.3	17.4
Top Quintile	28,914	20.0	183,278	45,288	137,990	24.7	60.5	57.5	72.0
All	144,573	100.0	60,566	12,575	47,991	20.8	100.0	100.0	100.0
Addendum									
Top 10 Percent	14,457	10.0	271,934	71,172	200,762	26.2	44.9	41.8	56.6
Top 5 Percent	7,228	5.0	408,681	112,024	296,657	27.4	33.7	30.9	44.5
Top 1 Percent	1,446	1.0	1,126,790	334,722	792,068	29.7	18.6	16.5	26.6
Top 0.5 Percent	723	0.5	1,774,411	541,377	1,233,034	30.5	14.7	12.9	21.5
Top 0.1 Percent	145	0.1	5,136,564	1,640,798	3,495,766	31.9	8.5	7.3	13.1

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 quintile 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 income.