

Table T05-0190
Option #6: Refundability threshold at \$10,000, no indexing, and a minimum credit of \$100
Distribution of Federal Tax Benefits by Cash Income Class, 2010¹

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 (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.4	0.0	0.0	0.6	-1	-0.3	0.0	0.2	0.0	4.1
10-20	16.6	0.0	0.4	67.7	-61	-7.4	-0.1	0.8	-0.4	4.6
20-30	7.1	0.0	0.1	25.4	-26	-0.9	0.0	2.4	-0.1	10.1
30-40	1.8	0.0	0.0	4.6	-6	-0.1	0.0	3.7	0.0	14.3
40-50	0.5	0.0	0.0	1.1	-2	0.0	0.0	4.4	0.0	16.9
50-75	0.1	0.0	0.0	0.3	0	0.0	0.0	11.9	0.0	19.3
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	26.2	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	26.5
More than 1,000	0.0	0.0	0.0	0.0	0	0.0	0.0	16.0	0.0	30.2
All	4.0	0.0	0.0	100.0	-14	-0.1	0.0	100.0	0.0	21.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

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-	Share of	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Post-Tax Percent of Total	Federal 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	824	15,830	5.0	3.6	4.4	0.8
20-30	21,679	14.1	27,490	2,810	24,680	10.2	5.3	6.0	2.5
30-40	16,440	10.7	38,628	5,532	33,096	14.3	5.6	6.1	3.7
40-50	12,893	8.4	49,638	8,398	41,240	16.9	5.6	6.0	4.4
50-75	22,442	14.6	68,192	13,151	55,041	19.3	13.5	13.9	11.9
75-100	13,870	9.0	95,865	20,185	75,681	21.1	11.7	11.8	11.3
100-200	18,051	11.7	149,322	35,873	113,449	24.0	23.7	23.1	26.1
200-500	4,875	3.2	317,752	84,861	232,891	26.7	13.6	12.8	16.7
500-1,000	794	0.5	752,123	198,922	553,201	26.5	5.3	4.9	6.4
More than 1,000	408	0.3	3,203,897	966,408	2,237,489	30.2	11.5	10.3	15.9
All	154,170	100.0	73,696	16,069	57,627	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 income.