

**Table T05-0237. Earned Income Tax Credit  
Distribution of Federal Tax Benefits by Cash Income Class, 2005 <sup>1</sup>**

Cash Income Class (thousands of 2005 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Benefits	Average Federal Tax Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Benefit	Without Tax Benefit			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	26.4	73.6	5.9	14.3	-302	-60.2	-0.3	0.2	-5.4	3.6
<b>10-20</b>	26.9	73.1	5.5	45.8	-737	-51.0	-1.0	1.0	-5.0	4.8
<b>20-30</b>	28.7	71.3	2.9	30.0	-619	-19.9	-0.6	2.7	-2.5	10.1
<b>30-40</b>	22.2	77.8	0.8	8.4	-227	-4.3	-0.1	4.2	-0.7	14.4
<b>40-50</b>	3.6	96.5	0.1	1.0	-35	-0.5	0.1	4.9	-0.1	16.8
<b>50-75</b>	0.5	99.5	0.0	0.3	-6	-0.1	0.3	13.0	0.0	18.5
<b>75-100</b>	0.1	99.9	0.0	0.0	-1	0.0	0.3	11.4	0.0	20.0
<b>100-200</b>	0.0	100.0	0.0	0.0	0	0.0	0.5	23.7	0.0	22.3
<b>200-500</b>	0.1	99.9	0.0	0.0	-2	0.0	0.3	15.3	0.0	25.4
<b>500-1,000</b>	0.0	100.0	0.0	0.0	0	0.0	0.2	6.5	0.0	27.2
<b>More than 1,000</b>	0.0	100.0	0.0	0.0	0	0.0	0.4	17.0	0.0	31.2
<b>All</b>	15.1	84.9	0.6	100.0	-285	-2.2	0.0	100.0	-0.5	20.7

**Baseline Distribution of Income and Federal Taxes  
by Cash Income Class, 2005 <sup>1</sup>**

Cash Income Class (thousands of 2005 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>3</sup> (Dollars)	Average Federal Tax Rate <sup>4</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
<b>Less than 10</b>	19,560	13.5	5,618	502	5,116	8.9	1.3	1.5	0.5
<b>10-20</b>	25,611	17.7	14,885	1,443	13,442	9.7	4.4	5.0	2.0
<b>20-30</b>	19,953	13.8	24,715	3,110	21,605	12.6	5.6	6.3	3.3
<b>30-40</b>	15,289	10.6	34,863	5,254	29,609	15.1	6.1	6.6	4.3
<b>40-50</b>	11,738	8.1	44,824	7,546	37,277	16.8	6.0	6.3	4.8
<b>50-75</b>	20,700	14.3	61,482	11,361	50,121	18.5	14.5	15.0	12.7
<b>75-100</b>	11,936	8.3	86,246	17,288	68,958	20.1	11.8	11.9	11.1
<b>100-200</b>	14,432	10.0	133,489	29,794	103,694	22.3	22.0	21.7	23.2
<b>200-500</b>	3,797	2.6	287,471	72,945	214,526	25.4	12.5	11.8	14.9
<b>500-1,000</b>	642	0.4	678,426	184,607	493,819	27.2	5.0	4.6	6.4
<b>More than 1,000</b>	335	0.2	2,943,745	919,666	2,024,078	31.2	11.3	9.8	16.6
<b>All</b>	144,573	100.0	60,566	12,843	47,722	21.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-2).

(1) Baseline is current law without the earned income tax credit (EITC). Proposal allows the EITC in its current law form.

(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.