

**Table T05-0265**  
**Rollback Top Two Individual Income Tax Rates**  
**Distribution of Federal Tax Change 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 Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	4.7
20-30	0.0	0.0	0.0	0.0	0	0.0	-0.1	2.7	0.0	10.0
30-40	0.0	0.0	0.0	0.0	0	0.0	-0.1	4.1	0.0	14.3
40-50	0.0	0.0	0.0	0.0	0	0.0	-0.1	4.7	0.0	16.6
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.2	12.7	0.0	18.4
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.2	11.1	0.0	19.9
100-200	0.0	1.1	0.0	0.5	12	0.0	-0.4	23.3	0.0	22.3
200-500	0.0	44.4	-0.8	18.6	1,659	2.3	0.1	15.4	0.6	26.0
500-1,000	0.0	67.4	-2.2	20.5	10,816	5.8	0.3	6.8	1.6	28.9
More than 1,000	0.0	75.7	-3.0	60.4	60,937	6.6	0.8	17.8	2.1	33.3
All	0.0	1.8	-0.5	100.0	234	1.9	0.0	100.0	0.4	21.1

**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>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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
Less than 10	19,560	13.5	5,618	200	5,418	3.6	1.3	1.5	0.2
10-20	25,611	17.7	14,885	700	14,185	4.7	4.4	5.2	1.0
20-30	19,953	13.8	24,715	2,467	22,248	10.0	5.6	6.4	2.7
30-40	15,289	10.6	34,863	4,985	29,878	14.3	6.1	6.6	4.2
40-50	11,738	8.1	44,824	7,453	37,370	16.6	6.0	6.3	4.8
50-75	20,700	14.3	61,482	11,286	50,197	18.4	14.5	15.0	12.9
75-100	11,936	8.3	86,246	17,190	69,056	19.9	11.8	11.9	11.3
100-200	14,432	10.0	133,489	29,733	103,755	22.3	22.0	21.6	23.7
200-500	3,797	2.6	287,471	73,061	214,410	25.4	12.5	11.7	15.3
500-1,000	642	0.4	678,426	185,094	493,332	27.3	5.0	4.6	6.6
More than 1,000	335	0.2	2,943,745	920,573	2,023,171	31.3	11.3	9.8	17.1
All	144,573	100.0	60,566	12,528	48,038	20.7	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. Under the proposal, the top two statutory individual income tax rates would be rolled back to 36 and 39.6 percent from their current-law values of 33 and 35 percent.

(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.