

**Table T05-0295**  
**Senate Tax Relief Act of 2005 (S. 2020 as Passed by the Senate)**  
**Fully-Phased In Impact of Major Provisions at 2006 Income Levels**  
**Distribution of Federal Tax Change by Cash Income Class <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	12.5	0.0	0.1	0.1	-3	-1.4	0.0	0.2	-0.1	3.7
10-20	24.8	0.0	0.2	1.2	-22	-3.1	0.0	1.0	-0.2	4.7
20-30	34.3	0.1	0.2	1.6	-38	-1.5	0.0	2.7	-0.2	9.9
30-40	36.1	0.1	0.1	1.4	-44	-0.9	0.1	4.1	-0.1	14.3
40-50	48.9	0.0	0.2	1.7	-68	-0.9	0.1	4.8	-0.2	16.6
50-75	58.7	0.0	0.3	5.6	-127	-1.1	0.2	12.9	-0.2	18.4
75-100	74.9	0.1	0.6	10.5	-403	-2.3	0.0	11.5	-0.5	19.9
100-200	91.2	0.2	1.2	40.3	-1,274	-4.1	-0.4	24.2	-0.9	22.1
200-500	97.8	0.5	1.5	27.4	-3,295	-4.3	-0.3	15.4	-1.1	25.0
500-1,000	95.2	0.1	0.3	2.4	-1,711	-0.9	0.1	6.5	-0.3	26.7
More than 1,000	98.5	0.1	0.5	7.7	-10,670	-1.2	0.2	16.6	-0.4	30.4
All	46.3	0.1	0.7	100.0	-328	-2.5	0.0	100.0	-0.5	20.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Class, 2006 <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	18,886	12.9	5,743	217	5,527	3.8	1.2	1.4	0.2
10-20	25,413	17.4	15,208	736	14,472	4.8	4.2	5.1	1.0
20-30	20,374	13.9	25,206	2,543	22,663	10.1	5.6	6.3	2.7
30-40	15,429	10.5	35,525	5,129	30,395	14.4	5.9	6.4	4.1
40-50	11,963	8.2	45,636	7,654	37,982	16.8	5.9	6.2	4.7
50-75	21,121	14.4	62,649	11,647	51,002	18.6	14.4	14.8	12.7
75-100	12,455	8.5	87,930	17,853	70,077	20.3	11.9	12.0	11.5
100-200	15,196	10.4	136,287	31,432	104,854	23.1	22.5	21.9	24.6
200-500	3,988	2.7	292,415	76,264	216,151	26.1	12.7	11.8	15.7
500-1,000	668	0.5	690,594	185,953	504,640	26.9	5.0	4.6	6.4
More than 1,000	345	0.2	2,994,463	921,839	2,072,624	30.8	11.2	9.8	16.4
All	146,417	100.0	62,970	13,258	49,712	21.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (versions 0304-5 and 0305-3A).

(1) Calendar year. Provisions include: extend deduction of state and local general sales taxes; increase the individual alternative minimum tax (AMT) exemption to \$62,550 for married couples filing a joint return, \$42,500 for singles and heads of household, and \$31,275 for married individuals filing a separate return; allow personal non-refundable credits against the regular tax and AMT, regardless of tentative AMT; extend credit for elective deferrals and IRA contributions ("Saver's Credit"); extend deduction for qualified tuition and related expenses; extend increase in Section 179 expensing; extend and modify the R&E credit. Baseline is current law without the provisions described above that are already in place for 2006.

(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.