

**Table T06-0253**  
**Combined Effect of the 2001-06 Tax Cuts**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <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
Lowest Quintile	20.2	0.3	0.5	0.5	-46	-11.3	0.0	0.5	-0.5	3.8
Second Quintile	73.0	0.3	2.3	5.7	-484	-19.2	-0.3	2.6	-2.0	8.5
Middle Quintile	88.5	0.1	2.4	9.8	-824	-11.5	-0.2	8.1	-2.0	15.2
Fourth Quintile	95.9	0.3	2.2	14.9	-1,257	-8.2	0.3	17.9	-1.7	19.5
Top Quintile	93.5	0.1	3.6	68.8	-5,811	-9.4	0.2	70.8	-2.6	25.2
All	74.2	0.2	3.0	100.0	-1,690	-9.7	0.0	100.0	-2.3	21.5
<b>Addendum</b>										
Top 10 Percent	91.6	0.0	4.1	56.0	-9,462	-9.9	-0.1	54.7	-2.9	26.3
Top 5 Percent	91.4	0.0	4.7	47.5	-16,052	-10.8	-0.5	42.1	-3.3	27.0
Top 1 Percent	98.4	0.1	6.6	35.7	-60,275	-13.9	-1.2	23.7	-4.5	27.8
Top 0.5 Percent	98.7	0.1	7.2	30.0	-101,536	-14.5	-1.1	19.0	-4.8	28.3
Top 0.1 Percent	99.2	0.0	7.6	17.8	-300,612	-14.4	-0.6	11.4	-5.0	29.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <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-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	30,240.0	19.6	9,537.0	410.0	9,127	4.3	2.5	3.2	0.5
Second Quintile	30,835.0	20.0	23,976.0	2,522.0	21,455	10.5	6.5	7.6	2.9
Middle Quintile	30,835.0	20.0	42,047.0	7,197.0	34,850	17.1	11.4	12.4	8.2
Fourth Quintile	30,831.0	20.0	72,549.0	15,430.0	57,119	21.3	19.7	20.3	17.6
Top Quintile	30,835.0	20.0	221,837.0	61,794.0	160,043	27.9	60.2	57.0	70.6
All	154,170.0	100.0	73,696.0	17,497.0	56,199	23.7	100.0	100.0	100.0
<b>Addendum</b>									
Top 10 Percent	15,417.0	10.0	328,475.0	95,892.0	232,583	29.2	44.6	41.4	54.8
Top 5 Percent	7,708.0	5.0	492,486.0	148,985.0	343,501	30.3	33.4	30.6	42.6
Top 1 Percent	1,542.0	1.0	1,348,695.0	434,982.0	913,713	32.3	18.3	16.3	24.9
Top 0.5 Percent	771.0	0.5	2,117,197.0	701,146.0	1,416,051	33.1	14.4	12.6	20.0
Top 0.1 Percent	154.0	0.1	6,060,561.0	2,094,108.0	3,966,454	34.6	8.2	7.1	12.0

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

(1) Calendar year. Baseline is pre EGTRRA law. Provisions include major individual income and estate tax measures in EGTRRA, JCWA, JGTRRA, AJCA, WFTRA, TIPRA, and PPA.

(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.