

**Table T06-0262**  
**Combined Effect of the 2001-2006 Tax Cuts with Financing Proportional to Income**  
**Distribution of Federal Tax Change by Cash Income Class, 2010<sup>1</sup>**

Cash Income Class (thousands of 2006 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	0.3	90.2	-2.3	n/a	135	51.0	0.1	0.3	2.2	6.4
10-20	14.5	85.4	-1.1	n/a	173	17.0	0.2	1.1	1.0	7.1
20-30	32.9	67.0	-0.1	n/a	35	1.0	0.0	2.7	0.1	12.4
30-40	35.6	64.3	-0.3	n/a	96	1.5	0.1	3.9	0.3	16.5
40-50	26.8	73.2	-0.6	n/a	228	2.5	0.1	4.5	0.5	19.1
50-75	21.6	78.4	-0.7	n/a	362	2.5	0.3	12.2	0.5	21.5
75-100	17.2	82.7	-0.7	n/a	540	2.5	0.3	11.5	0.6	23.2
100-200	17.4	82.6	-0.7	n/a	746	2.0	0.5	26.1	0.5	26.1
200-500	19.3	80.6	-0.4	n/a	976	1.1	0.2	16.4	0.3	28.5
500-1,000	68.7	31.3	2.3	n/a	-12,186	-5.5	-0.4	6.2	-1.6	28.1
More than 1,000	82.3	17.7	4.0	n/a	-84,019	-7.8	-1.3	15.1	-2.6	31.2
All	21.3	77.6	0.0	n/a	0	0.0	0.0	100.0	0.0	23.7

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

Cash Income Class (thousands of 2006 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- 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							
Less than 10	17,298	11.2	6,190	264	5,926	4.3	0.9	1.2	0.2
10-20	24,828	16.1	16,653	1,015	15,638	6.1	3.6	4.5	0.9
20-30	21,679	14.1	27,490	3,367	24,123	12.3	5.3	6.0	2.7
30-40	16,440	10.7	38,628	6,282	32,346	16.3	5.6	6.1	3.8
40-50	12,893	8.4	49,638	9,247	40,391	18.6	5.6	6.0	4.4
50-75	22,442	14.6	68,192	14,275	53,917	20.9	13.5	14.0	11.9
75-100	13,870	9.0	95,865	21,729	74,136	22.7	11.7	11.9	11.2
100-200	18,051	11.7	149,322	38,222	111,100	25.6	23.7	23.2	25.6
200-500	4,875	3.2	317,752	89,504	228,248	28.2	13.6	12.8	16.2
500-1,000	794	0.5	752,123	223,207	528,916	29.7	5.3	4.8	6.6
More than 1,000	408	0.3	3,203,897	1,084,191	2,119,706	33.8	11.5	10.0	16.4
All	154,170	100.0	73,696	17,497	56,199	23.7	100.0	100.0	100.0

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. Financing proportional to income requires an additional levy of 2.3% of cash income on all tax units.

(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.