

T06-0325
Tax Benefits of the Hope Credit:
By Adjusted Gross Income Class, 2005¹

Adjusted Gross Income Class (thousands of current dollars) ²	All Tax Units ³		Tax Units with Benefit ⁴			Tax Benefits		Benefit as Percent of After- Tax Income ⁶		Average Tax Benefit	
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Total	Percent within Class ⁵	Dollars (millions)	Percent of Total	All Tax Units	Tax Units with Benefit	All Tax Units	Tax Units with Benefit
Less than 10	35,016	24.1	6	0.3	0.0	1	0.0	0.00	1.4	0	110
10-20	23,171	15.9	208	9.7	0.9	143	6.2	0.05	4.9	6	685
20-30	18,169	12.5	285	13.3	1.6	304	13.3	0.08	4.9	17	1,065
30-40	13,599	9.4	303	14.2	2.2	339	14.8	0.09	3.9	25	1,121
40-50	10,747	7.4	308	14.4	2.9	323	14.1	0.09	2.8	30	1,047
50-75	18,350	12.6	584	27.3	3.2	718	31.4	0.08	2.4	39	1,229
75-100	10,839	7.5	408	19.1	3.8	451	19.7	0.06	1.6	42	1,104
100-200	11,036	7.6	35	1.6	0.3	8	0.4	0.00	0.3	1	228
200-500	2,675	1.8	0	0.0	0.0	0	0.0	0.00	0.0	0	0
500-1,000	423	0.3	0	0.0	0.0	0	0.0	0.00	0.0	0	0
More than 1,000	216	0.1	0	0.0	0.0	0	0.0	0.00	0.0	0	0
All	145,321	100.0	2,138	100.0	1.5	2,286	100.0	0.04	2.6	16	1,069

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-5).

(1) Calendar year. Benefits of the Hope credit are measured as the reduction in tax liability on returns claiming the credit.

(2) Tax units with negative adjusted gross income are excluded from the lowest income class but are included in the totals.

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) Tax units with benefit includes only those tax units that claim the Hope credit.

(5) Percent of tax units within each adjusted gross income class that receives a tax benefit from the Hope credit.

(6) After-tax income is adjusted gross income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.