

Table T07-0255
Tax Benefits of the Lifetime Learning Credit
Distribution of Federal Tax Change by Cash Income Class, 2012¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Benefit as Percent of After-Tax Income ⁴	Share of Total Benefits	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Benefit	Without Benefit			Dollars	As Percent of Tax	With Credit	Without Credit	With Credit	Without Credit
Less than 10	0.0	100.0	0.0	0.0	0	0.0	0.2	0.2	4.6	4.6
10-20	1.0	99.0	0.0	8.1	6	0.7	0.7	0.7	5.2	5.2
20-30	2.0	98.0	0.1	18.3	16	0.5	2.3	2.3	11.2	11.2
30-40	2.5	97.5	0.1	14.7	17	0.3	3.3	3.3	15.4	15.4
40-50	3.7	96.4	0.1	19.4	28	0.3	4.1	4.1	18.2	18.3
50-75	3.1	96.9	0.0	22.7	19	0.1	10.9	10.9	20.9	20.9
75-100	2.9	97.1	0.0	11.8	16	0.1	10.7	10.7	22.7	22.7
100-200	1.4	98.6	0.0	4.9	5	0.0	26.0	26.0	25.6	25.6
200-500	0.0	100.0	0.0	0.1	0	0.0	17.4	17.4	28.3	28.3
500-1,000	0.1	99.9	0.0	0.0	0	0.0	6.8	6.8	29.9	29.9
More than 1,000	0.0	100.0	0.0	0.0	0	0.0	17.5	17.5	34.8	34.8
All	1.9	98.1	0.0	100.0	12	0.1	100.0	100.0	24.1	24.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2012¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	16,617	10.5	6,183	283	5,900	4.6	0.8	1.0	0.2
10-20	25,364	16.0	17,013	881	16,131	5.2	3.4	4.3	0.7
20-30	22,009	13.9	28,275	3,154	25,121	11.2	4.9	5.8	2.3
30-40	16,280	10.3	39,666	6,099	33,567	15.4	5.1	5.7	3.3
40-50	13,355	8.4	51,086	9,294	41,792	18.2	5.4	5.8	4.1
50-75	22,659	14.3	70,125	14,623	55,502	20.9	12.6	13.1	10.9
75-100	14,532	9.2	98,644	22,401	76,243	22.7	11.3	11.5	10.7
100-200	20,049	12.6	153,952	39,468	114,484	25.6	24.4	23.9	26.0
200-500	5,762	3.6	324,538	91,781	232,757	28.3	14.8	14.0	17.4
500-1,000	897	0.6	771,453	230,800	540,653	29.9	5.5	5.1	6.8
More than 1,000	461	0.3	3,318,662	1,154,568	2,164,093	34.8	12.1	10.4	17.5
All	158,578	100.0	79,703	19,177	60,526	24.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 20.9 Alternative: 20.7

(1) Calendar year. Baseline is current law. Alternative repeals the Lifetime Learning credit.

(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 but excludes those that are dependents of other tax units.

(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.