

Table T10-0267
Making Work Pay Credit versus Social Security Tax Cut
Baseline: Current Policy
Comparison of Benefits by Cash Income Level, 2011 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units (thousands) ³	Units Benefiting from Provision				Average Benefit, Among Units Benefiting (Dollars)	
		Making Work Pay Credit		Social Security Tax Cut		Making Work Pay Credit	Social Security Tax Cut
		Number (thousands)	Percent	Number (thousands)	Percent		
Less than 10	19,464	13,527	69.5	13,527	69.5	315	118
10-20	25,819	17,376	67.3	17,376	67.3	438	265
20-30	20,496	15,720	76.7	15,720	76.7	466	427
30-40	16,279	13,479	82.8	13,479	82.8	481	600
40-50	12,368	10,624	85.9	10,624	85.9	509	764
50-75	20,451	17,711	86.6	17,711	86.6	569	1,031
75-100	14,481	12,932	89.3	13,004	89.8	629	1,415
100-200	18,125	14,192	78.3	16,367	90.3	672	2,074
200-500	5,289	1,206	22.8	4,765	90.1	390	2,532
500-1,000	968	89	9.2	838	86.6	635	2,637
More than 1,000	449	19	4.2	392	87.4	664	2,693
All	155,368	117,303	75.5	124,294	80.0	508	928

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Social security tax cut reduces the OASDI tax rate on employees to 4.2%.

(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.