

Table T04-0091**Supplement to Table T04-0083****Sub-Sample of Tax Filing Units with Positive Individual Income Tax Liability After Refundable Credits¹:****H.R. 4359, Extension and Expansion of Child Credit:****Distribution of Individual Income Tax Change by Cash Income Percentiles, 2005²**

Cash Income Class ³	Percent of Individual Income Taxpayers with Tax Cut	Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
					Current Law	Proposal
Lowest Quintile	0.4	*	0.2	-1	17.4	17.4
Second Quintile	15.5	0.2	7.3	-54	19.0	18.9
Middle Quintile	27.8	0.3	16.5	-123	19.5	19.3
Fourth Quintile	36.9	0.3	24.7	-183	21.1	20.9
Top Quintile	35.9	0.2	51.4	-383	26.3	26.2
All	23.3	0.2	100.0	-149	23.4	23.2
Addendum						
Top 10 Percent	31.3	0.2	32.1	-478	27.5	27.3
Top 5 Percent	22.6	0.1	11.7	-348	28.5	28.4
Top 1 Percent	1.8	*	0.1	-21	30.1	30.1
Top 0.5 Percent	1.0	*	*	-11	30.8	30.8
Top 0.1 Percent	0.1	*	*	-1	32.2	32.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

(1) Tax units with zero or negative individual income tax after refundable credits (EITC and refundable portion of child credit) are excluded from the analysis.

(2) Calendar year. Baseline is current law. Provisions include: increase child tax credit amount to \$1,000; increase phaseout threshold for child credit to \$125,000 (\$250,000 for married couples filing a joint return).

(3) Individual income taxpayers with negative cash income are excluded from the lowest quintile but are included in the totals. Individuals who do not have positive individual income tax after refundable credits and taxpayers that are dependents of other taxpayers are excluded from the analysis. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(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 (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.