

Table T05-0067: EGTRRA, JGTRRA, and WFTRA
Distribution of Federal Tax Change by Cash Income Percentile, 2005¹

Cash Income Percentile ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	12.2	0.0	0.3	0.3	-18	-6.9	0.0	0.4	-0.2	3.2
Second Quintile	66.2	0.0	2.1	5.0	-356	-20.6	-0.3	2.2	-1.9	7.2
Middle Quintile	87.9	0.0	2.6	10.4	-742	-13.2	-0.3	7.8	-2.2	14.2
Fourth Quintile	97.9	0.0	2.4	16.2	-1,154	-9.5	0.1	17.5	-1.9	18.4
Top Quintile	99.4	0.0	3.6	68.1	-4,845	-9.7	0.4	72.0	-2.6	24.7
All	72.7	0.0	3.1	100.0	-1,423	-10.2	0.0	100.0	-2.4	20.7
Addendum										
Top 10 Percent	99.5	0.0	3.8	51.9	-7,393	-9.4	0.5	56.5	-2.7	26.1
Top 5 Percent	99.4	0.0	3.9	39.4	-11,218	-9.1	0.5	44.4	-2.7	27.3
Top 1 Percent	98.9	0.0	4.6	24.6	-34,948	-9.5	0.2	26.6	-3.1	29.6
Top 0.5 Percent	98.7	0.0	5.0	20.8	-59,150	-9.9	0.1	21.5	-3.3	30.4
Top 0.1 Percent	99.1	0.0	5.6	13.0	-185,533	-10.2	0.0	13.0	-3.6	31.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2005¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ³ (Dollars)	Average Federal Tax Rate ⁴	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	28,340	19.6	7,487	259	7,228	3.5	2.4	3.0	0.4	
Second Quintile	28,910	20.0	19,134	1,731	17,403	9.1	6.3	7.5	2.5	
Middle Quintile	28,916	20.0	34,409	5,627	28,782	16.4	11.4	12.4	8.1	
Fourth Quintile	28,916	20.0	59,726	12,139	47,587	20.3	19.7	20.4	17.4	
Top Quintile	28,914	20.0	183,278	50,033	133,245	27.3	60.5	57.2	71.6	
All	144,573	100.0	60,566	13,981	46,585	23.1	100.0	100.0	100.0	
Addendum										
Top 10 Percent	14,457	10.0	271,934	78,345	193,589	28.8	44.9	41.6	56.0	
Top 5 Percent	7,228	5.0	408,681	122,817	285,864	30.1	33.7	30.7	43.9	
Top 1 Percent	1,446	1.0	1,126,790	368,386	758,404	32.7	18.6	16.3	26.4	
Top 0.5 Percent	723	0.5	1,774,411	598,514	1,175,896	33.7	14.7	12.6	21.4	
Top 0.1 Percent	145	0.1	5,136,564	1,822,145	3,314,419	35.5	8.5	7.1	13.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-1).

(1) Baseline is pre-EGTRRA law. Includes provisions in EGTRRA, JGTRRA, and WFTRA affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the AMT; the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions; expansion of student loan interest deduction (excludes other education provisions); and estate tax exemption, rates, and state death tax credit.

(2) Tax units with negative cash income are excluded from the lowest quintile 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.