

**Table T05-0113**  
**Option #4: 15% refundability above \$5,000 indexed**  
**Distribution of Federal Tax Benefits by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	12.5	0.0	0.9	45.7	-79	-21.3	-0.1	0.4	-0.8	3.1
Second Quintile	12.0	0.0	0.4	47.8	-81	-3.9	-0.1	2.5	-0.3	8.4
Middle Quintile	1.6	0.0	0.0	5.9	-10	-0.2	0.0	8.0	0.0	15.4
Fourth Quintile	0.1	0.0	0.0	0.3	-1	0.0	0.0	17.8	0.0	19.7
Top Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	71.2	0.0	25.8
All	5.2	0.0	0.1	100.0	-34	-0.2	0.0	100.0	-0.1	21.8
<b>Addendum</b>										
Top 10 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	55.1	0.0	27.0
Top 5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	42.6	0.0	27.8
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	24.2	0.0	28.8
Top 0.5 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	19.4	0.0	29.5
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	11.7	0.0	31.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2010<sup>1</sup>**

Cash Income Percentile <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-Tax Income	Share of Post-Tax	Share of Federal	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total		
Lowest Quintile	30,240	19.6	9,537	372	9,165	3.9	2.5	3.1	0.5	
Second Quintile	30,835	20.0	23,976	2,090	21,887	8.7	6.5	7.6	2.6	
Middle Quintile	30,835	20.0	42,047	6,464	35,583	15.4	11.4	12.4	8.0	
Fourth Quintile	30,831	20.0	72,549	14,304	58,245	19.7	19.7	20.2	17.8	
Top Quintile	30,835	20.0	221,837	57,134	164,703	25.8	60.2	57.2	71.0	
All	154,170	100.0	73,696	16,094	57,602	21.8	100.0	100.0	100.0	
<b>Addendum</b>										
Top 10 Percent	15,417	10.0	328,475	88,543	239,932	27.0	44.6	41.7	55.0	
Top 5 Percent	7,708	5.0	492,486	136,767	355,719	27.8	33.4	30.9	42.5	
Top 1 Percent	1,542	1.0	1,348,695	388,516	960,179	28.8	18.3	16.7	24.1	
Top 0.5 Percent	771	0.5	2,117,197	623,568	1,493,629	29.5	14.4	13.0	19.4	
Top 0.1 Percent	154	0.1	6,060,561	1,878,374	4,182,187	31.0	8.2	7.3	11.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3a).

(1) Baseline is current law.

(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.