

Table T05-0309
Effect of Not Extending Credit for Elective Deferrals and IRA Contributions (Savers' Credit)
Distribution of Federal Tax Change by Cash Income Class, 2015¹

Cash Income Class (thousands of 2005 dollars) ²	Tax Units ³			Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total	Percent with Tax Increase				Current Law	Proposal
Less than 10	15,853	9.7	0.2	0.0	0.1	0	4.6	4.6
10-20	24,589	15.1	5.0	-0.1	24.9	10	4.7	4.8
20-30	22,799	14.0	6.1	0.0	31.4	14	10.0	10.0
30-40	17,608	10.8	5.1	0.0	20.9	12	13.8	13.9
40-50	13,926	8.5	3.9	0.0	17.0	12	16.9	16.9
50-75	23,715	14.5	0.5	0.0	4.0	2	19.8	19.8
75-100	15,216	9.3	0.1	0.0	0.7	0	22.0	22.0
100-200	21,320	13.1	0.1	0.0	0.6	0	25.0	25.0
200-500	6,108	3.7	0.1	0.0	0.3	1	27.2	27.2
500-1,000	947	0.6	0.1	0.0	0.1	1	25.7	25.7
More than 1,000	489	0.3	0.1	0.0	0.0	1	28.5	28.5
All	163,163	100.0	2.6	0.0	100.0	6	22.4	22.4

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

(1) Calendar year. Baseline is current law plus Savers' Credit extended plus the Administration's FY2005 Budget Proposal to extend provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the limitation on itemized deductions (Pease); the personal exemption phaseout (PEP); the standard deduction, 15-percent bracket, and EITC for married couples; the AMT; pension and IRA provisions; estate tax repeal; 15 percent tax rate on qualified dividends and capital gains (0 percent for lower-income taxpayers). Proposal: Repeal Savers' 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. 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 (individual income tax, net of refundable credits, plus direct AMT liability; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.