

Effects of the Bush Tax Cuts enacted through 2004 (with sunsets) by Income Group (calendar years)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 years
Tax cuts, \$-billions											
Lowest 20%	\$ -1.3	\$ -2.1	\$ -2.3	\$ -2.7	\$ -1.9	\$ -1.9	\$ -1.5	\$ -2.5	\$ -2.6	\$ -3.0	\$ -21.8
Second 20%	-6.4	-8.1	-10.6	-12.1	-10.8	-10.8	-9.5	-12.2	-12.6	-13.5	-106.6
Middle 20%	-9.9	-12.7	-19.1	-20.6	-18.3	-18.0	-18.0	-19.9	-19.9	-21.0	-177.3
Fourth 20%	-14.4	-20.4	-33.8	-35.9	-30.9	-29.2	-29.8	-31.4	-29.3	-30.3	-285.4
Next 15%	-14.1	-25.0	-54.6	-59.0	-51.4	-38.0	-37.1	-36.2	-30.8	-30.0	-376.4
Next 4%	-5.2	-17.3	-33.9	-36.7	-26.5	-13.8	-13.2	-12.9	-7.9	-11.0	-178.4
Top 1%	-3.9	-38.9	-69.0	-79.3	-51.0	-53.7	-57.4	-66.6	-61.4	-97.2	-578.5
ALL	\$ -55.2	\$ -124.1	\$ -223.0	\$ -245.9	\$ -190.9	\$ -165.7	\$ -166.6	\$ -182.0	\$ -164.7	\$ -206.0	\$ -1,724.1
Shares of the total tax cuts											
Lowest 20%	2.3%	1.7%	1.0%	1.1%	1.0%	1.1%	0.9%	1.4%	1.6%	1.5%	1.3%
Second 20%	11.6%	6.5%	4.7%	4.9%	5.7%	6.5%	5.7%	6.7%	7.6%	6.5%	6.2%
Middle 20%	17.9%	10.2%	8.6%	8.4%	9.6%	10.9%	10.8%	11.0%	12.1%	10.2%	10.3%
Fourth 20%	26.0%	16.4%	15.2%	14.6%	16.2%	17.6%	17.9%	17.2%	17.8%	14.7%	16.6%
Next 15%	25.6%	20.2%	24.5%	24.0%	26.9%	22.9%	22.2%	19.9%	18.7%	14.6%	21.8%
Next 4%	9.4%	14.0%	15.2%	14.9%	13.9%	8.3%	7.9%	7.1%	4.8%	5.3%	10.3%
Top 1%	7.1%	31.3%	30.9%	32.2%	26.7%	32.4%	34.5%	36.6%	37.3%	47.2%	33.6%
ALL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average tax cuts											
Lowest 20%	\$ -49	\$ -80	\$ -88	\$ -103	\$ -71	\$ -69	\$ -56	\$ -89	\$ -92	\$ -107	\$ -805
Second 20%	-244	-308	-401	-456	-403	-400	-350	-444	-452	-478	-3,936
Middle 20%	-376	-483	-724	-777	-684	-667	-658	-723	-713	-747	-6,551
Fourth 20%	-547	-777	-1,281	-1,357	-1,156	-1,082	-1,090	-1,138	-1,052	-1,077	-10,557
Next 15%	-716	-1,273	-2,761	-2,973	-2,559	-1,875	-1,810	-1,750	-1,475	-1,422	-18,615
Next 4%	-984	-3,304	-6,417	-6,939	-4,954	-2,557	-2,409	-2,340	-1,417	-1,947	-33,267
Top 1%	-2,991	-29,628	-52,269	-59,878	-38,141	-39,741	-42,075	-48,313	-44,100	-69,042	-426,179
ALL	\$ -414	\$ -932	\$ -1,665	\$ -1,831	\$ -1,407	\$ -1,209	\$ -1,203	\$ -1,301	\$ -1,166	\$ -1,444	\$ -12,572
Tax cuts as % of income											
Lowest 20%	-0.5%	-0.8%	-0.9%	-1.0%	-0.7%	-0.6%	-0.5%	-0.7%	-0.7%	-0.8%	-0.7%
Second 20%	-1.2%	-1.5%	-2.0%	-2.1%	-1.8%	-1.7%	-1.4%	-1.8%	-1.7%	-1.7%	-1.7%
Middle 20%	-1.2%	-1.5%	-2.2%	-2.2%	-1.9%	-1.8%	-1.7%	-1.8%	-1.7%	-1.7%	-1.7%
Fourth 20%	-1.0%	-1.5%	-2.4%	-2.4%	-1.9%	-1.7%	-1.7%	-1.7%	-1.5%	-1.5%	-1.7%
Next 15%	-0.8%	-1.4%	-2.9%	-3.0%	-2.5%	-1.7%	-1.6%	-1.5%	-1.2%	-1.1%	-1.8%
Next 4%	-0.5%	-1.7%	-3.3%	-3.3%	-2.3%	-1.1%	-1.0%	-0.9%	-0.6%	-0.7%	-1.5%
Top 1%	-0.3%	-3.1%	-5.2%	-5.4%	-3.3%	-3.3%	-3.3%	-3.6%	-3.4%	-5.0%	-3.6%
ALL	-0.8%	-1.8%	-3.0%	-3.2%	-2.3%	-1.9%	-1.8%	-1.9%	-1.7%	-1.9%	-2.0%

ADDENDUM: Total cost including interest

\$-billions	\$ -56.3	\$ -128.9	\$ -234.8	\$ -269.2	\$ -228.6	\$ -219.7	\$ -233.8	\$ -262.4	\$ -259.0	\$ -315.8	\$ -2,208.6
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Source: Institute on Taxation and Economic Policy Tax Model, July 2005

Effects of the Bush Tax Cuts enacted through 2004 (without sunsets) by Income Group (calendar years)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 years
Tax cuts, \$-billions											
Lowest 20%	\$ -1.3	\$ -2.1	\$ -2.3	\$ -2.7	\$ -1.9	\$ -1.9	\$ -1.6	\$ -2.7	\$ -2.9	\$ -3.3	\$ -22.7
Second 20%	-6.4	-8.1	-10.6	-12.1	-10.8	-10.9	-9.8	-12.7	-13.4	-14.3	-109.1
Middle 20%	-9.9	-12.7	-19.1	-20.6	-18.3	-18.4	-18.6	-21.0	-22.1	-23.6	-184.3
Fourth 20%	-14.4	-20.4	-33.8	-35.9	-31.0	-31.4	-33.4	-37.4	-40.4	-44.7	-322.7
Next 15%	-14.1	-25.0	-54.6	-59.0	-51.4	-52.6	-56.5	-62.2	-66.8	-73.1	-515.3
Next 4%	-5.2	-17.3	-33.9	-36.7	-26.5	-27.1	-29.2	-32.4	-35.2	-41.5	-285.1
Top 1%	-3.9	-38.9	-69.0	-79.3	-51.1	-56.2	-61.8	-73.1	-84.8	-123.3	-641.2
ALL	\$ -55.2	\$ -124.1	\$ -223.0	\$ -245.9	\$ -191.0	\$ -198.7	\$ -211.0	\$ -241.4	\$ -265.7	\$ -323.7	\$ -2,079.6
Shares of the total tax cuts											
Lowest 20%	2.3%	1.7%	1.0%	1.1%	1.0%	1.0%	0.8%	1.1%	1.1%	1.0%	1.1%
Second 20%	11.6%	6.5%	4.7%	4.9%	5.7%	5.5%	4.7%	5.2%	5.0%	4.4%	5.2%
Middle 20%	17.9%	10.2%	8.6%	8.4%	9.6%	9.2%	8.8%	8.7%	8.3%	7.3%	8.9%
Fourth 20%	26.0%	16.4%	15.2%	14.6%	16.2%	15.8%	15.8%	15.5%	15.2%	13.8%	15.5%
Next 15%	25.6%	20.2%	24.5%	24.0%	26.9%	26.5%	26.8%	25.7%	25.1%	22.6%	24.8%
Next 4%	9.4%	14.0%	15.2%	14.9%	13.9%	13.6%	13.8%	13.4%	13.3%	12.8%	13.7%
Top 1%	7.1%	31.3%	30.9%	32.2%	26.7%	28.3%	29.3%	30.3%	31.9%	38.1%	30.8%
ALL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average tax cuts											
Lowest 20%	\$ -49	\$ -80	\$ -88	\$ -103	\$ -72	\$ -71	\$ -60	\$ -96	\$ -103	\$ -117	\$ -840
Second 20%	-244	-308	-401	-456	-403	-405	-359	-459	-481	-507	-4,024
Middle 20%	-376	-483	-724	-777	-684	-680	-681	-760	-795	-840	-6,800
Fourth 20%	-547	-777	-1,281	-1,357	-1,157	-1,162	-1,223	-1,356	-1,452	-1,587	-11,898
Next 15%	-716	-1,273	-2,761	-2,973	-2,560	-2,594	-2,757	-3,003	-3,196	-3,461	-25,294
Next 4%	-984	-3,304	-6,417	-6,939	-4,956	-5,006	-5,345	-5,876	-6,320	-7,371	-52,517
Top 1%	-2,991	-29,628	-52,269	-59,878	-38,169	-41,574	-45,228	-52,978	-60,859	-87,602	-471,176
ALL	\$ -414	\$ -932	\$ -1,665	\$ -1,831	\$ -1,407	\$ -1,449	\$ -1,524	\$ -1,726	\$ -1,881	\$ -2,269	\$ -15,099
Tax cuts as % of income											
Lowest 20%	-0.5%	-0.8%	-0.9%	-1.0%	-0.7%	-0.6%	-0.5%	-0.8%	-0.8%	-0.9%	-0.7%
Second 20%	-1.2%	-1.5%	-2.0%	-2.1%	-1.8%	-1.7%	-1.5%	-1.8%	-1.8%	-1.9%	-1.7%
Middle 20%	-1.2%	-1.5%	-2.2%	-2.2%	-1.9%	-1.8%	-1.7%	-1.8%	-1.9%	-1.9%	-1.8%
Fourth 20%	-1.0%	-1.5%	-2.4%	-2.4%	-1.9%	-1.9%	-1.9%	-2.0%	-2.1%	-2.2%	-1.9%
Next 15%	-0.8%	-1.4%	-2.9%	-3.0%	-2.5%	-2.4%	-2.4%	-2.5%	-2.6%	-2.7%	-2.3%
Next 4%	-0.5%	-1.7%	-3.3%	-3.3%	-2.3%	-2.2%	-2.2%	-2.3%	-2.5%	-2.8%	-2.3%
Top 1%	-0.3%	-3.1%	-5.2%	-5.4%	-3.3%	-3.5%	-3.6%	-3.9%	-4.7%	-6.3%	-3.9%
ALL	-0.8%	-1.8%	-3.0%	-3.2%	-2.3%	-2.3%	-2.3%	-2.5%	-2.7%	-3.1%	-2.4%

ADDENDUM: Total cost including interest

\$-billions	\$ -56.3	\$ -128.9	\$ -234.8	\$ -269.2	\$ -228.7	\$ -253.6	\$ -281.2	\$ -328.0	\$ -370.9	\$ -450.9	\$ -2,602.5
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Source: Institute on Taxation and Economic Policy Tax Model, July 2005

Size of the Bush tax cuts enacted through June 2005, calendar years, \$-billions

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	10 years
With sunsets											
Tax Cuts	\$ -55	\$ -124	\$ -223	\$ -246	\$ -191	\$ -166	\$ -167	\$ -182	\$ -165	\$ -206	\$ -1,724
Added interest (-)	-1	-5	-12	-23	-38	-54	-67	-80	-94	-110	-484
Total cost	\$ -56	\$ -129	\$ -235	\$ -269	\$ -229	\$ -220	\$ -234	\$ -262	\$ -259	\$ -316	\$ -2,209
Without sunsets											
Tax Cuts	\$ -55	\$ -124	\$ -223	\$ -246	\$ -191	\$ -199	\$ -211	\$ -241	\$ -266	\$ -324	\$ -2,080
Added interest (-)	-1	-5	-12	-23	-38	-55	-70	-87	-105	-127	-523
Total cost	\$ -56	\$ -129	\$ -235	\$ -269	\$ -229	\$ -254	\$ -281	\$ -328	\$ -371	\$ -451	\$ -2,603

Note: Figures include all of the Bush tax cuts enacted so far. Sunsetted items are primarily Alternative Minimum Tax relief (expires after 2005) and special low rates on dividends and capital gains (expire after 2008), plus a number of small other items that expire at various times after 2005.

Source: Institute on Taxation and Economic Policy Tax Model, July 2005

Background Information on incomes & income ranges

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average incomes										
Lowest 20%	\$ 9,600	\$ 9,700	\$ 10,000	\$ 10,500	\$ 10,900	\$ 11,400	\$ 11,800	\$ 12,300	\$ 12,800	\$ 13,400
Second 20%	19,700	19,900	20,400	21,300	22,200	23,200	24,200	25,200	26,200	27,400
Middle 20%	32,300	32,400	33,300	34,900	36,400	38,000	39,600	41,300	42,900	44,700
Fourth 20%	53,100	53,000	54,400	57,100	59,700	62,400	65,000	67,900	70,400	73,600
Next 15%	91,800	91,200	93,700	98,800	103,000	108,000	113,000	118,000	121,000	127,000
Next 4%	194,000	190,000	196,000	209,000	218,000	228,000	238,000	251,000	254,000	267,000
Top 1%	1,026,000	962,000	1,009,000	1,100,000	1,152,000	1,205,000	1,257,000	1,359,000	1,285,000	1,387,000
ALL	\$ 53,900	\$ 53,100	\$ 54,800	\$ 58,000	\$ 60,700	\$ 63,400	\$ 66,100	\$ 69,600	\$ 70,600	\$ 74,300
Break-points (end points)										
Lowest 20%	\$ 15,000	\$ 15,000	\$ 15,000	\$ 16,000	\$ 17,000	\$ 17,000	\$ 18,000	\$ 19,000	\$ 20,000	\$ 21,000
Second 20%	25,000	25,000	26,000	27,000	28,000	30,000	31,000	32,000	34,000	35,000
Middle 20%	41,000	41,000	42,000	44,000	46,000	48,000	50,000	52,000	54,000	57,000
Fourth 20%	68,000	68,000	70,000	74,000	77,000	80,000	84,000	88,000	91,000	95,000
Next 15%	136,000	134,000	138,000	146,000	153,000	160,000	167,000	175,000	179,000	188,000
Next 4%	342,000	331,000	343,000	367,000	384,000	401,000	418,000	444,000	441,000	468,000
Top 1%	no limit	no limit	no limit	no limit	no limit	no limit	no limit	no limit	no limit	no limit

Note: Income is total cash income, including amounts not reported on tax returns. Changes in realized capital gains (as predicted by the Congressional Budget Office in Jan. 2005) can cause fluctuations in the top income groups.

Source: Institute on Taxation and Economic Policy Tax Model, July 2005