

**DISTRIBUTIONAL EFFECTS OF  
A PROPOSAL TO PROVIDE TAX CREDITS FOR INDIVIDUAL TAXPAYERS AS CONTAINED IN  
THE "ECONOMIC STIMULUS ACT OF 2008,"  
AS ORDERED REPORTED BY THE COMMITTEE ON FINANCE ON JANUARY 30, 2008 (1)**

Calendar Year 2008

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
	Millions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$10,000.....	-\$7,511	-170.5%	\$4	0.2%	-\$3	-0.2%	3.9%	-2.8%
\$10,000 to \$20,000....	-\$14,032	-98.0%	\$14	0.7%	(5)	(6)	3.8%	-1.3%
\$20,000 to \$30,000....	-\$10,735	-26.4%	\$41	1.9%	30	1.5%	9.3%	6.9%
\$30,000 to \$40,000....	-\$10,563	-15.5%	\$68	3.2%	57	2.9%	12.1%	10.3%
\$40,000 to \$50,000....	-\$9,571	-10.8%	\$89	4.2%	79	4.0%	14.4%	12.8%
\$50,000 to \$75,000....	-\$19,804	-7.8%	\$253	12.0%	233	11.7%	16.3%	15.1%
\$75,000 to \$100,000....	-\$14,745	-5.8%	\$255	12.1%	240	12.0%	18.4%	17.4%
\$100,000 to \$200,000....	-\$20,579	-3.4%	\$609	28.9%	589	29.5%	22.5%	21.7%
\$200,000 and over.....	-\$3,283	-0.4%	\$776	36.8%	773	38.7%	25.9%	25.8%
<b>Total, All Taxpayers....</b>	<b>-\$110,822</b>	<b>-5.3%</b>	<b>\$2,110</b>	<b>100.0%</b>	<b>\$1,998</b>	<b>100.0%</b>	<b>19.6%</b>	<b>18.6%</b>

Source: Joint Committee on Taxation

Details may not add to total due to rounding.

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- (1) Distributes the effect of the tax credit for tax year 2008. Does not include amounts paid in rebates to individuals not eligible for the credit in tax year 2008. For this particular proposal, the distributional analysis does not include all behavioral effects.
  - (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable social security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2006 levels.
  - (3) Federal taxes are equal to individual income tax (including the outlay portion of the EIC), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis. Does not include indirect effects.
  - (4) The effective tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
  - (5) Less than \$500 million.
  - (6) Less than 0.05%.

**DISTRIBUTIONAL EFFECTS BY FILING STATUS OF  
A PROPOSAL TO PROVIDE TAX CREDITS FOR INDIVIDUAL TAXPAYERS AS CONTAINED IN  
THE "ECONOMIC STIMULUS ACT OF 2008,"  
AS ORDERED REPORTED BY THE COMMITTEE ON FINANCE ON JANUARY 30, 2008 (1)**

Calendar Year 2008

INCOME CATEGORY (2)	NUMBER OF RETURNS AFFECTED AND CHANGE IN FEDERAL TAXES (MILLIONS OF RETURNS AND DOLLARS)							
	Single Returns		Joint Returns		H of H Returns		Total Returns	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	9.0	-\$4,782	1.1	-\$1,049	2.0	-\$1,681	12.1	-\$7,511
\$10,000 to \$20,000.....	16.2	-\$8,328	2.1	-\$2,541	3.6	-\$3,163	22.0	-\$14,032
\$20,000 to \$30,000.....	9.1	-\$4,676	2.5	-\$2,995	3.6	-\$3,064	15.2	-\$10,735
\$30,000 to \$40,000.....	7.7	-\$3,942	3.3	-\$3,953	3.2	-\$2,668	14.2	-\$10,563
\$40,000 to \$50,000.....	6.3	-\$3,200	3.8	-\$4,459	2.3	-\$1,911	12.4	-\$9,571
\$50,000 to \$75,000.....	8.7	-\$4,387	11.2	-\$13,069	3.1	-\$2,349	23.0	-\$19,804
\$75,000 to \$100,000.....	3.2	-\$1,600	10.4	-\$12,339	1.1	-\$806	14.7	-\$14,745
\$100,000 to \$200,000.....	1.9	-\$936	15.9	-\$19,271	0.5	-\$372	18.3	-\$20,579
\$200,000 and over.....	(3)	-\$7	2.8	-\$3,275	(3)	-\$1	2.8	-\$3,283
<b>Total, All Taxpayers.....</b>	<b>62.1</b>	<b>-\$31,857</b>	<b>53.1</b>	<b>-\$62,951</b>	<b>19.6</b>	<b>-\$16,014</b>	<b>134.8</b>	<b>-\$110,822</b>

**Source: Joint Committee on Taxation**

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(2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable social security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2006 levels.

Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.

(3) Less than 50,000.