

TABLE 1

Share of Select Federal Tax Expenditures by Cash Income Percentile, 2006<sup>1</sup>

CASH INCOME PERCENTILE*	HOPE CREDIT	LIFETIME LEARNING CREDIT	STUDENT LOAN INTEREST DEDUCTION	HOME MORTGAGE INTEREST DEDUCTION	STATE AND LOCAL PROPERTY TAX DEDUCTION	SELF-EMPLOYED HEALTH INSURANCE DEDUCTION	EARNED INCOME TAX CREDIT	CHILD AND DEPENDENT CARE CREDIT	PREFERENTIAL RATES ON CAPITAL GAINS AND DIVIDENDS	TAX BENEFITS OF THE PARTIAL EXCLUSION FOR SOCIAL SECURITY BENEFITS	EXCLUSIONS AND DEDUCTIONS FOR RETIREMENT SAVINGS**	ALL SELECT FEDERAL TAX EXPENDITURES COMBINED***
<b>Lowest Quintile</b>	0.8	1.1	0.4	0.0	0.0	0.2	27.7	0.0	0.0	1.1	0.1	<b>3.4</b>
<b>Second Quintile</b>	13.6	12.7	4.9	0.4	0.6	1.7	52.0	4.1	0.1	14.1	2.4	<b>8.0</b>
<b>Middle Quintile</b>	24.7	25.0	22.8	3.1	3.4	6.5	19.4	23.7	0.4	29.7	8.1	<b>7.7</b>
<b>Fourth Quintile</b>	34.1	35.5	29.7	14.9	17.6	15.0	0.6	30.8	2.0	36.1	17.2	<b>12.3</b>
<b>Top Quintile</b>	26.8	25.8	42.3	81.5	78.4	76.6	0.1	41.4	97.6	19.0	72.2	<b>68.6</b>
<b>All</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
<b>Addendum</b>												
<b>Top 10 Percent</b>	1.8	1.8	10.2	60.4	54.9	63.9	0.0	19.9	95.0	10.5	52.2	<b>55.9</b>
<b>Top 5 Percent</b>	0.4	0.2	0.1	40.2	32.7	50.9	0.0	8.6	91.8	6.1	33.6	<b>44.4</b>
<b>Top 1 Percent</b>	0.0	0.0	0.0	11.7	11.8	20.1	0.0	1.0	80.1	1.6	8.8	<b>27.0</b>
<b>Top 0.5 Percent</b>	0.0	0.0	0.0	6.5	9.1	11.5	0.0	0.4	74.0	0.8	4.7	<b>22.8</b>
<b>Top 0.1 Percent</b>	0.0	0.0	0.0	1.6	3.2	2.6	0.0	0.1	58.2	0.2	1.1	<b>16.1</b>

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Note 1: Calendar year.

\* 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>. Includes both filing and nonfiling units but excludes those that are dependents of other tax units.

\*\* Includes IRAs, Keogh plans, and defined contribution plans (e.g., 401(k)s and employer plans).

\*\*\* Alternative repeals the Hope and Lifetime Learning credits, the student loan interest deduction, the home mortgage interest deduction, the state and local property tax deduction, the self-employed health insurance deduction, the earned income tax credit, the child and dependent care credit, the preferential rates on capital gains and dividends, the partial exclusion for Social Security benefits, and the exclusions and deductions for IRAs, Keogh plans, and defined contribution retirement savings plans.