

## Most of Post-2002 Bush Tax Cuts Will Go to Top 1%

More than half of the Bush tax cuts enacted last year that are scheduled to take effect after 2002 will go to the best-off one percent of all taxpayers. In contrast, for four out of five Americans, most of the tax cuts have already taken effect this year.

The future tax cuts, if implemented, will be worth an average of \$44,800 a year to the wealthiest one percent when fully in place. For the bottom 60 percent, the corresponding average tax cut figure is \$95 a year.

“Every American has a major stake in whether the Bush tax cuts continue to be phased in,” said Citizens for Tax Justice director Robert S. McIntyre. “For the very rich, hundreds of thousands of dollars in tax reductions over the upcoming decade hang in the balance. For the vast majority of us, continuing to phase in the Bush tax plan will provide little tax relief, but will entail large costs—including higher interest rates, reduced government services and a bleaker future for Social Security.”

### Effects of Current & Future Bush Tax Cuts

Tax cuts already in place in 2002 and tax cuts  
scheduled to take effect in later years

Income Group	Average Income	Average tax cut already in effect by 2002	Average tax cut still to come	% of total tax cut already in place	Distribution of remaining tax cuts
Lowest 20%	\$ 9,600	\$ -62	\$ -5	92%	0.1%
Second 20%	21,500	-289	-92	76%	2.1%
Middle 20%	35,900	-423	-188	69%	4.4%
Fourth 20%	58,800	-602	-439	58%	10.2%
Next 15%	101,000	-865	-1,326	39%	23.1%
Next 4%	217,000	-1,699	-1,691	50%	7.9%
Top 1%	1,137,000	-9,691	-44,802	18%	52.1%
<b>ALL</b>	<b>\$ 59,900</b>	<b>\$ -566</b>	<b>\$ -854</b>	<b>40%</b>	<b>100.0%</b>
<b>ADDENDUM</b>					
Bottom 60%	\$ 22,300	\$ -258	\$ -95	73%	6.6%
Top 10%	263,000	-2,153	-5,928	27%	68.9%

Source: Institute on Taxation and Economic Policy Tax Model, April 2002.

All figures are at 2002 income levels, and show the effects of the 2001-enacted Bush tax cuts in effect in 2002 and additional tax cuts to be phased in later.

Citizens for Tax Justice, April 15, 2002.