

51 Million Taxpayers Won't Get Full Rebates from 2001 Tax Bill

Some 39 percent of American taxpayers will not get the full amount of the highly-touted "rebate checks" that will be mailed this summer as a result of the President's just-passed tax bill. That translates into 51 million taxpayers who will not get the full amount of the promised rebate checks. According to a new analysis by Citizens for Tax Justice:

- Thirty-four million taxpayers—26 percent—will get no rebate check at all.
- Another 17 million taxpayers—13 percent—will get only partial rebates, averaging about half the advertised amounts of \$600 for couples, \$500 for single parents and \$300 for other taxpayers.

The taxpayers who get no or reduced benefits from the tax bill are concentrated in the bottom three-fifths of income earners. Sixty-two percent of the three-fifths of all taxpayers who make less than \$44,000 a year will get less than the full rebate amounts, with 42 percent of these taxpayers getting nothing at all.

The tax rebates are supposed to reflect the tax savings from the new 10 percent income-tax bracket on the first \$12,000 in taxable income for couples, \$10,000 for single parents, and \$6,000 for others. Payroll taxes, which are the largest federal tax for three out of four taxpayers, are not counted in computing the rebates.

The Check is **Not** in the Mail: Taxpayers with no rebate or only partial rebate this year from the 2001 tax bill

Income Group (all taxpayers)	All Taxpayers				
	% with no rebate	% with partial rebate	Total % less than full	Average all taxpayers	# with less than full (000)
Lowest 20%	75%	22%	97%	\$ 42	25,175
Second 20%	37%	22%	59%	179	15,324
Middle 20%	13%	17%	30%	335	7,724
Fourth 20%	2%	4%	6%	482	1,681
Next 15%	1%	—	1%	551	190
Next 4%	1%	—	1%	560	52
Top 1%	1%	—	1%	555	13
ALL	26%	13%	39%	\$ 315	51,082
ADDENDUM					
Bottom 60%	42%	20%	62%	\$ 185	48,224
Top 10%	1%	—	1%	559	130

Oddly, although most taxpayers in the bottom 60 percent of the income scale will get reduced or zero rebates, the tax bill extends the benefits of the rebate to about two million upper-income taxpayers who will not actually benefit from the new 10 percent rate bracket, due to the Alternative Minimum Tax.

"Like the rest of the Bush tax plan, the rebates have been carefully designed to give as little as possible to those who need the money, and as much as possible to those who don't," said Robert S. McIntyre, director of Citizens for Tax Justice.

On a state-by-state basis, the percentage of taxpayers with no or reduced rebates exceeds 50 percent in Mississippi (52%) and West Virginia (50.5%). Other states among the ten with the highest percentages of taxpayers with no or reduced rebates include: Louisiana (49%), Montana (49%), Arkansas (48%), Oklahoma (48%), Alabama (47%), Kentucky (45%), New Mexico (45%) and North Dakota (44%)

Tables, including state-by-state information, follow.

The “\$600/\$500/300” Tax Rebates

Income Group (all taxpayers)	Income Range	Average Income	Married couples (max \$600)				Single parents (max \$500)				Others (max \$300)			
			% w/ no rebate	% with \$1-599	Ave w/ \$1-599	Ave all	% w/ no rebate	% with \$1-499	Ave w/ \$1-499	Ave all	% w/ no rebate	% with \$1-299	Ave w/ \$1-299	Ave all
Lowest 20%	Less than \$15,000	\$ 9,300	98%	2%	\$ 37	\$ 1	95%	5%	\$ 88	\$ 4	65%	30%	\$ 152	\$ 60
Second 20%	\$15,000–27,000	20,600	70%	29%	269	84	48%	40%	259	162	19%	12%	145	225
Middle 20%	\$27,000–44,000	34,400	26%	30%	303	356	11%	17%	314	412	3%	5%	184	284
Fourth 20%	\$44,000–72,000	56,400	3%	6%	356	569	2%	3%	364	488	1%	1%	110	294
Next 15%	\$72,000–147,000	97,400	1%	—	na	596	1%	—	na	496	1%	—	na	297
Next 4%	\$147,000–373,000	210,000	1%	—	na	592	1%	—	na	496	1%	—	na	297
Top 1%	\$373,000 or more	1,117,000	1%	—	na	594	1%	—	na	495	1%	—	na	297
ALL		\$ 57,800	18%	10%	\$ 300	\$ 459	44%	17%	\$ 262	\$ 239	28%	14%	\$ 152	\$ 195
ADDENDUM														
Bottom 60%	Less than \$44,000	\$ 21,400	51%	25%	288	213	54%	21%	259	183	33%	17%	152	174
Top 10%	\$104,000 or more	256,000	1%	—	na	594	1%	—	na	495	1%	—	na	297

Source: Institute on Taxation and Economic Policy Tax Model.

Citizens for Tax Justice, May 31, 2001

The Check is Not in the Mail: Taxpayers with no rebate or only partial rebate this year from the 2001 tax bill

	No rebate			Partial rebate only		Totals with less than full rebate			<i>Note: average partial rebates</i>		
	# with no rebate	% with no rebate	Rank by % no rebate	# w/ partial rebate	% w/ only partial	# w/ less than full	% w/ less than full	Rank by % less than full	married (max \$600)	single par (max \$500)	others (max \$300)
US Totals		26%			13%		39%		\$ 300	\$ 262	\$ 152
Alabama	677,427	33%	4	287,044	14%	964,471	47%	7	297	255	159
Alaska	51,129	18%	50	24,366	9%	75,495	27%	51	297	308	183
Arizona	481,238	23%	30	303,712	15%	784,950	38%	28	328	259	164
Arkansas	389,192	32%	5	189,816	16%	579,008	48%	5	262	266	157
California	3,664,349	26%	22	1,773,811	13%	5,438,160	38%	27	309	282	145
Colorado	409,308	21%	43	254,995	13%	664,303	33%	41	296	288	173
Connecticut	315,684	20%	46	185,923	12%	501,607	32%	46	313	343	133
Delaware	71,888	20%	48	45,524	12%	117,412	32%	43	217	274	151
District of Columbia	47,215	19%	49	31,316	12%	78,531	31%	47	281	220	138
Florida	2,166,562	29%	11	1,095,826	15%	3,262,388	43%	12	303	267	154
Georgia	979,922	27%	20	449,080	12%	1,429,002	39%	23	355	284	158
Hawaii	120,633	22%	37	67,775	12%	188,408	34%	38	351	340	153
Idaho	148,119	27%	16	92,858	17%	240,977	44%	11	325	274	142
Illinois	1,322,418	23%	32	630,282	11%	1,952,700	34%	36	299	271	163
Indiana	589,971	21%	40	360,373	13%	950,344	34%	37	271	303	165
Iowa	339,771	25%	26	193,885	14%	533,656	39%	24	266	345	134
Kansas	295,439	24%	29	167,326	14%	462,765	38%	29	323	220	161
Kentucky	573,899	31%	7	274,618	15%	848,517	45%	8	285	255	128
Louisiana	661,335	34%	3	309,226	16%	970,561	49%	3	333	208	154
Maine	162,211	27%	17	87,482	14%	249,693	41%	17	279	240	162
Maryland	523,359	21%	38	232,583	9%	755,942	31%	49	317	297	164
Massachusetts	692,526	23%	33	343,152	11%	1,035,678	34%	39	314	375	159
Michigan	1,173,454	26%	23	514,247	11%	1,687,701	37%	32	277	231	152
Minnesota	463,977	20%	44	258,632	11%	722,609	32%	45	322	356	137
Mississippi	475,371	37%	1	191,598	15%	666,969	52%	1	284	239	146
Missouri	694,388	27%	19	366,412	14%	1,060,800	41%	19	286	280	165
Montana	126,066	30%	8	75,411	18%	201,477	49%	4	279	333	151
Nebraska	198,114	25%	25	97,288	12%	295,402	37%	30	297	344	180
Nevada	179,307	20%	47	102,139	11%	281,446	31%	48	240	272	155
New Hampshire	96,275	17%	51	70,175	12%	166,450	29%	50	263	227	134

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	No rebate			Partial rebate only		Totals with less than full rebate			<i>Note: average partial rebates</i>		
	# with no rebate	% with no rebate	Rank by % no rebate	# w/ partial rebate	% w/ only partial	# w/ less than full	% w/ less than full	Rank by % less than full	married (max \$600)	single par (max \$500)	others (max \$300)
New Jersey	813,271	21%	41	419,333	11%	1,232,604	32%	44	270	307	163
New Mexico	227,813	30%	9	108,138	14%	335,951	45%	9	359	199	159
New York	2,549,047	29%	10	1,002,508	12%	3,551,555	41%	18	293	290	141
North Carolina	912,462	25%	27	583,239	16%	1,495,701	40%	21	322	285	156
North Dakota	73,315	25%	24	53,605	18%	126,920	44%	10	324	219	138
Ohio	1,253,165	22%	34	760,783	14%	2,013,948	36%	34	278	247	154
Oklahoma	474,753	32%	6	231,620	16%	706,373	48%	6	302	290	171
Oregon	386,925	24%	28	238,512	15%	625,437	39%	22	292	367	159
Pennsylvania	1,551,870	27%	18	683,668	12%	2,235,538	39%	25	302	278	152
Rhode Island	126,183	26%	21	59,431	12%	185,614	38%	26	267	301	144
South Carolina	509,592	28%	13	273,966	15%	783,558	43%	13	358	296	151
South Dakota	94,671	28%	12	47,563	14%	142,234	42%	14	303	253	173
Tennessee	727,299	27%	14	367,972	14%	1,095,271	41%	15	261	249	157
Texas	2,394,840	27%	15	1,152,751	13%	3,547,591	40%	20	322	277	151
Utah	176,621	20%	45	146,945	17%	323,566	37%	31	358	235	144
Vermont	62,786	22%	35	41,436	15%	104,222	37%	33	321	277	152
Virginia	723,261	22%	36	447,396	14%	1,170,657	36%	35	339	246	154
Washington	575,370	21%	42	350,305	13%	925,675	34%	40	307	256	151
West Virginia	289,672	35%	2	133,561	16%	423,233	50%	2	285	306	155
Wisconsin	528,706	21%	39	291,247	12%	819,953	33%	42	252	348	135
Wyoming	51,983	23%	31	40,373	18%	92,356	41%	16	325	386	164

Taxpayers making less than \$40,000 with no rebate or only partial rebate

	No rebate		Partial rebate only		Total: less than full		<i>Note: average partial rebates</i>		
	# with no rebate	% with no rebate	# w/ partial rebate	% w/ only partial	# w/ less than full	% w/ less than full	married (max \$600)	single par (max \$500)	others (max \$300)
US Totals		42%		20%		62%	\$ 296	\$ 275	\$ 152
Alabama	666,412	50%	265,760	20%	932,172	70%	286	255	159
Alaska	49,410	37%	23,260	17%	72,670	54%	292	320	183
Arizona	462,291	38%	265,386	22%	727,677	60%	337	256	164
Arkansas	381,455	48%	171,896	22%	553,351	70%	280	266	157
California	3,471,545	44%	1,558,090	20%	5,029,635	63%	293	281	144
Colorado	391,084	36%	233,327	21%	624,411	57%	270	287	173
Connecticut	300,633	40%	156,811	21%	457,444	61%	335	328	133
Delaware	68,314	34%	41,775	21%	110,089	55%	193	274	151
District of Columbia	46,087	30%	30,642	20%	76,729	51%	263	220	138
Florida	2,081,458	44%	1,012,846	21%	3,094,304	65%	297	266	154
Georgia	953,172	42%	417,662	19%	1,370,834	61%	352	283	158
Hawaii	114,594	36%	58,340	18%	172,934	54%	348	358	152
Idaho	139,387	43%	80,391	25%	219,778	68%	312	274	142
Illinois	1,286,960	41%	576,727	19%	1,863,687	60%	287	269	162
Indiana	562,047	36%	330,073	21%	892,120	56%	256	305	165
Iowa	327,682	41%	172,582	22%	500,264	63%	278	345	134
Kansas	286,333	42%	151,492	22%	437,825	64%	298	220	163
Kentucky	562,234	47%	246,132	21%	808,366	68%	281	256	128
Louisiana	654,090	50%	286,053	22%	940,143	72%	359	205	154
Maine	157,201	42%	79,849	21%	237,050	63%	262	236	162
Maryland	500,878	41%	205,010	17%	705,888	57%	347	300	166
Massachusetts	668,719	41%	299,105	19%	967,824	60%	291	369	160
Michigan	1,111,154	44%	465,121	18%	1,576,275	62%	271	230	152
Minnesota	450,429	37%	216,894	18%	667,323	54%	349	367	137
Mississippi	464,869	51%	182,716	20%	647,585	71%	288	244	146
Missouri	672,181	43%	337,901	21%	1,010,082	64%	283	268	165
Montana	121,729	46%	69,919	26%	191,648	72%	277	329	151
Nebraska	190,487	42%	75,554	17%	266,041	58%	293	330	180
Nevada	157,950	32%	94,945	19%	252,895	51%	217	272	154
New Hampshire	92,191	31%	61,235	20%	153,426	51%	271	227	134
New Jersey	777,190	41%	361,606	19%	1,138,796	59%	293	307	162
New Mexico	221,615	46%	99,347	21%	320,962	66%	340	181	159
New York	2,461,098	48%	915,031	18%	3,376,129	66%	282	289	140
North Carolina	873,748	38%	540,881	24%	1,414,629	62%	314	285	155
North Dakota	70,361	39%	47,991	27%	118,352	66%	329	219	137
Ohio	1,220,278	37%	681,343	20%	1,901,621	57%	284	246	153
Oklahoma	467,820	50%	215,739	23%	683,559	73%	272	294	171
Oregon	369,113	40%	207,189	23%	576,302	63%	262	368	159
Pennsylvania	1,512,762	45%	592,461	18%	2,105,223	62%	286	275	152
Rhode Island	123,101	44%	54,017	19%	177,118	63%	249	299	142
South Carolina	499,421	42%	258,834	22%	758,255	64%	345	296	151
South Dakota	91,155	43%	43,805	21%	134,960	64%	275	253	173
Tennessee	714,183	43%	338,718	20%	1,052,901	63%	256	249	158
Texas	2,333,987	44%	1,077,977	20%	3,411,964	64%	323	276	151
Utah	164,683	35%	116,043	25%	280,726	60%	348	235	144
Vermont	60,452	36%	39,071	23%	99,523	59%	310	274	152
Virginia	697,020	38%	410,017	22%	1,107,037	60%	341	246	152
Washington	551,975	38%	291,314	20%	843,289	58%	274	251	151
West Virginia	283,655	50%	119,714	21%	403,369	71%	287	306	155
Wisconsin	503,396	37%	270,069	20%	773,465	57%	242	346	134
Wyoming	50,458	39%	38,887	30%	89,345	69%	312	386	164