

Table 5
Tax Benefits of the Deduction for Higher Education Expenses:
By Cash Income Class, 2005¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³		Benefit as Percent of After- Tax Income ⁴	Percent of Total Tax Benefits	Average Tax Benefit (\$)
	Number (thousands)	Percent of Total			
Less than 10	20,301	14.0	0.1	0.1	0
10-20	26,357	18.1	1.0	3.1	1
20-30	20,537	14.1	1.7	6.6	3
30-40	15,633	10.8	1.5	5.0	3
40-50	11,543	7.9	2.0	4.5	4
50-75	20,112	13.8	3.1	18.5	10
75-100	11,773	8.1	4.5	9.5	9
100-200	14,039	9.7	8.1	51.4	39
200-500	3,588	2.5	0.5	1.0	3
500-1,000	593	0.4	0.5	0.3	5
More than 1,000	284	0.2	0.0	0.0	0
All	145,321	100.0	2.4	100.0	7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-5).

(1) Calendar year. Baseline is current law without the deduction for higher education expenses.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a definition of cash income, see the notes to Table 3.

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.