



Capital Gains and Dividends Tax Cuts Offer Almost No Benefit to Middle-Income Americans and Add to the Nation’s Fiscal Problems

Presidential candidates, reporters and pundits have lately perpetuated two myths about tax cuts for capital gains and dividends. The first myth is that the middle-class benefits from these tax cuts for investment income. The second myth is that these tax cuts, particularly the tax cut for capital gains, has caused federal revenue to actually increase rather than decrease.

The first of these myths is easily refuted by looking at the distribution of the Bush capital gains and dividends tax cuts both nationally and on a state-specific basis. The state-by-state figures in the appendix of this paper show that in every single state, the benefits from the capital gains and dividends tax breaks are concentrated among the richest one percent. The average tax cut for these fortunate households runs in the tens of thousands of dollars, while the average tax cut for the poorest 60 percent is perhaps enough to buy a single meal, and in many states is even less.

The second myth is also easily refuted, by examining the actual trajectory of revenue from capital gains taxes as a percentage of GDP. We find no evidence that the amount of revenues collected by the tax actually increases when the rate is cut.

Benefits of Capital Gains and Dividends Tax Cuts Are Concentrated Among the Wealthy

When George W. Bush came to the White House, dividends were taxed as ordinary income (which for the wealthiest meant a top marginal rate of 39.6 percent at that time). The top tax rate for capital gains had recently been lowered from 28 percent to 20 percent. In 2003, President Bush and his allies in Congress lowered the top tax rate for both capital gains and corporate stock dividends to 15 percent.

The table to the right shows that, nationally, the benefits of this rate cut for investment income are concentrated among the wealthiest one percent of taxpayers.

This is also true in every state, as illustrated by the state-by-state figures in the appendix of this paper.

Bush Tax Cuts for Capital Gains and Dividends in United States			
Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,600	\$ -1	0.1%
Second 20%	26,200	-9	0.4%
Middle 20%	43,700	-36	1.7%
Fourth 20%	70,100	-88	4.0%
Next 15%	121,900	-262	9.0%
Next 4%	272,200	-1,559	14.4%
Top 1%	1,661,900	-30,525	70.4%
ALL	\$ 75,400	\$ -431	100.0%
Addendum: Bottom 60%	\$ 27,200	\$ -16	2.1%

If anything, the benefits of these tax cuts are even *more* concentrated among the wealthy than these figures show. The most recent national data from the IRS, which can be used to pinpoint more precisely how these tax breaks are distributed, are shown below. These figures show the distribution and cost of the entire tax break for dividends and capital gains (which includes the full difference between the current low capital gains tax rates and the regular tax rates.).

In 2005, the most recent year for which data are available, half of the benefits of the special low rates on capital gains and dividends went to people with adjusted gross income (AGI) over \$2 million, while more than a quarter went to people with AGI over \$10 million.

Tax Cuts from the Special Low Tax Rates on Capital Gains & Dividends (CGD) in 2005

AGI group	Total # of returns	% of all returns	# with CGD tax cut	CGD tax cut \$-bill	Average all returns	% of total tax breaks
Under \$30K	66,636,249	49.6%	3,079,593	\$ -0.4	\$ -5	0.4%
\$30-50K	24,558,911	18.3%	3,372,812	-0.8	-34	0.9%
\$50-75K	18,351,037	13.7%	4,126,681	-1.7	-93	1.9%
\$75-100K	10,449,989	7.8%	3,280,362	-1.9	-184	2.1%
\$100-200K	10,810,367	8.0%	5,148,904	-6.4	-595	7.0%
\$200-500K	2,737,802	2.0%	1,976,715	-13.1	-4,789	14.3%
\$500K-1 mill	524,506	0.4%	433,693	-10.8	-20,662	11.8%
\$1-2 mill	184,540	0.1%	156,743	-9.8	-53,132	10.7%
\$2-5 mill	84,070	0.1%	72,054	-12.3	-146,125	13.4%
\$5-10 mill	21,431	0.02%	18,189	-8.5	-396,105	9.3%
\$10 mill +	13,776	0.01%	11,433	-25.8	-1,876,280	28.2%
TOTAL	134,372,678	100.0%	21,677,179	\$ -91.7	\$ -682	100.0%
Addendum:						
\$500K +	828,323	0.6%	692,112	-67.3	-81,204	73.4%

Source: Internal Revenue Service, Statistics of Income 2005, Tables 3.1 and 1.2 (August 2007).

Several points emerge from this data.

- The special low tax rates on capital gains and dividends reduced income tax payments by \$91.7 billion in 2005.
- The 67 million tax filers who reported adjusted gross incomes of less than \$30,000 — half of all filers — got virtually none of the benefits of the capital gains and dividends tax breaks.
- In contrast, the 828,000 filers with reported incomes above \$500,000 — 0.6 percent of all filers — got 73.4 percent of the total tax reductions, saving an average of \$81,204 each.
- Most amazing, the 13,776 tax filers with adjusted gross incomes in excess of \$10 million — a mere 0.01 percent of all filers — got 28.2 percent of the total tax savings. Their average tax break was \$1,876,280 each.

McCain Implies that 100 Million Rely on the Tax Cuts for Investment Income

Presidential candidate John McCain recently said on ABC's "This Week" that it would be a terrible idea to allow the Bush tax cut for capital gains to expire because "100 million people have investments." The reality is that most stock owned by middle-income people is in 401(k) plans, Individual Retirement Accounts (IRAs) or other similar retirement savings vehicles. The taxes on these investments are deferred until retirement, at which point they are taxed as "ordinary income," meaning they don't benefit from the tax cuts for capital gains and dividends.

This is supported by the IRS data in the table above. The figures show that in 2005, fewer than 22 million taxpayers received any benefit at all from the special low rates for capital gains and dividends — far fewer than the 100 million implied by Senator McCain.

Tax Cuts Reduce Revenues Needed to Fund Public Services — and Capital Gains Tax Cuts Are No Exception

A small group of ideologues associated with "supply-side economics" believes that tax cuts — especially capital gains tax cuts — can actually increase revenues. They ignore the fact that the federal government collected more revenue from the capital gains tax during the Clinton years, when the tax rate was *higher*.

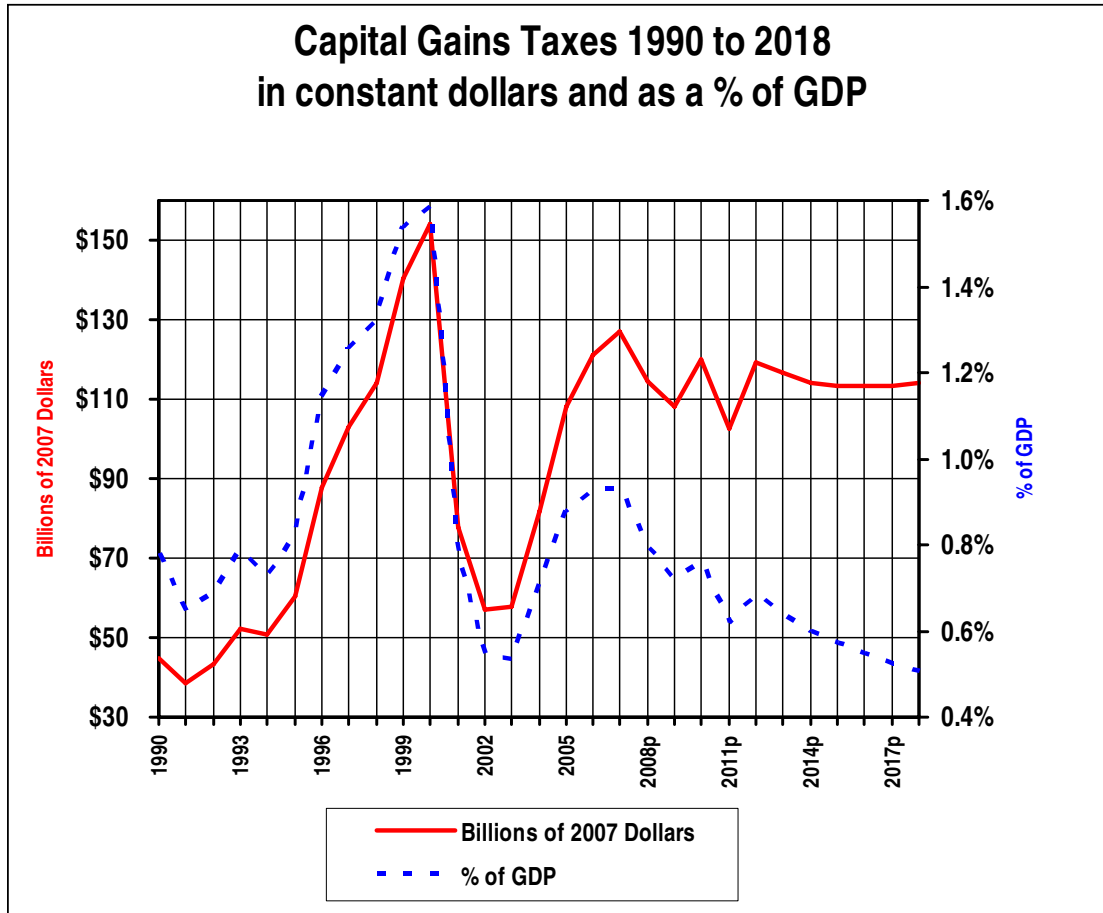
The supply-siders' general idea is that when capital gains taxes are cut, more people will sell property that has gone up in value. These increased "realizations," supply-siders argue, will be so large that more capital gains taxes will be paid even at the lower tax rate.

But even if there are more realizations as a result of a capital gains tax cut, the resulting revenue is nowhere near enough to make the tax cut budget-neutral, much less revenue-enhancing.

The chart on the next page is based on data from the non-partisan Congressional Budget Office.¹ It shows that the ups and downs in revenue collected by the capital gains tax seem to have more to do with what's happening in the stock market and the broader economy than with tax policy. In the early and mid-1990s, when the top capital gains tax rate was 28 percent, capital gains tax revenues shot through the roof. They continued to climb for a while after the rate was lowered to 20 percent in 1997, but at no faster rate than the previous trend. Then in 2001 and 2002, capital gains taxes fell precipitously. This was not due to any change in tax policy, but was instead clearly linked to the bursting of the "dot.com" bubble and its ramifications for the stock market.

Capital gains tax revenue did increase after 2003, when the rate was cut again to 15 percent, but we would expect the revenue to rise from the low point of the recession, regardless of what changes were made to the tax code. (In fact, it would have been shocking if capital gains revenue did *not* swing back upwards after the recession of the early 2000s.)

¹Congressional Budget Office, "The Budget and Economic Outlook: Fiscal Years 2008-2018," January 2008. http://www.cbo.gov/ftpdocs/89xx/doc8917/01-23-2008_BudgetOutlook.pdf, page 89.



More importantly, the revenue obviously has not reached the high level of the Clinton years when the rate was higher. Measured as a percentage of GDP, the capital gains tax will probably collect only half as much revenue this year as it did in 2000, when the rate was higher.

Can support for the supply-siders' argument be found if one looks further back in time? No, although many lawmakers, pundits and reporters seem to think so. During the Democratic presidential debate on April 16, ABC reporter Charlie Gibson said that capital gains tax revenue fell when the rate was raised in the 1980s.

The rate increase that he was referring to was part of the 1986 Tax Reform Act that was signed by President Reagan, which set capital gains tax rates the same as the rates on other income. Capital gains realizations surged in anticipation of the rate increase (which took effect in 1987). In other words, an increase in the tax rate actually increased revenues, albeit temporarily, as people rushed to cash in their gains before the new, higher rate took effect. After that, with fewer gains to realize, realizations predictably declined, and eventually returned to their normal level — until the Clinton administration, when the stock market went up so much that realizations boomed.

The Capital Gains Tax Break Results in Tax Sheltering by the Wealthy

There is one sense in which the supply-siders are right. Yes, capital gains realizations might increase somewhat if taxes on capital gains are reduced. But one big reason for that is that wealthy people can convert ordinary income (which for them is taxed at a rate of 35 percent) into capital gains (which are only taxed at 15 percent) through various tax sheltering schemes.

After the Republicans took over Congress in the mid-1990s and proposed cuts in the capital gains tax, reporter Michael Kinsley and CTJ director Robert McIntyre argued that if we cut taxes in half for people named “Newt,” then we surely would find that Newts reported much more income on tax returns.

The taxes paid by people named Newt might even go up, but that’s just because a lot of people would change their names to Newt to take advantage of the tax break. The same can be said for cutting taxes on capital gains. People will simply convert their regular income into capital gains income (at least wealthy people, who have opportunities to use tax sheltering schemes). Consider, for example, “private equity” fund managers. They have exploited a loophole that allows them to earn hundreds of millions of dollars in “carried interest,” which is compensation for investing other people’s money, and pay taxes at only the 15 percent capital gains tax rate.

Capital Gains and Dividends Should Be Taxed Like Any Other Income

The Bush tax cuts for capital gains and dividends will expire after 2010. Some lawmakers want to extend these tax cuts and make them permanent. This would be fiscally irresponsible and would overwhelmingly benefit those fortunate Americans who don’t need any help from our government.

It is remarkable that Congress decided, during a war and a health care crisis, to shower tens of billions of dollars in tax breaks on the richest one percent of Americans and offer them new opportunities to shelter their income from taxes. It’s unfair to the vast majority of American wage-earners, who must pay taxes at higher rates than the wealthy few Americans who live off their investments and whose income takes the form of capital gains and dividends.

Congress and the next president should not make this mistake permanent.

When the Bush tax cuts expire, dividends will be taxed as ordinary income, which at that time will be taxed at 39.6 percent for the wealthy Americans who have receive most dividends.

However, after the Bush tax cuts expire, capital gains will be taxed at a rate of 20 percent, which will be about half the marginal rate wealthy families will pay for ordinary income. Congress should enact legislation to tax capital gains as ordinary income as well, ending the incentive for tax sheltering that results from the preferential rate and raising badly needed revenue.

(State-specific figures are included in the following appendix.)

Bush Tax Cuts for Capital Gains and Dividends in Alabama

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,000	\$ -1	0.0%
Second 20%	21,700	-3	0.2%
Middle 20%	34,900	-9	0.7%
Fourth 20%	59,200	-27	2.2%
Next 15%	99,800	-137	8.3%
Next 4%	204,500	-993	16.2%
Top 1%	1,097,900	-17,708	72.4%
ALL	\$ 58,900	\$ -246	100.0%
Addendum: Bottom 60%	\$ 22,100	\$ -4	0.9%

Bush Tax Cuts for Capital Gains and Dividends in Alaska

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,900	\$ -16	1.1%
Second 20%	30,400	-41	2.9%
Middle 20%	52,900	-50	3.6%
Fourth 20%	83,200	-89	6.2%
Next 15%	131,100	-259	13.9%
Next 4%	250,900	-910	12.8%
Top 1%	1,078,200	-16,838	59.4%
ALL	\$ 75,200	\$ -278	100.0%
Addendum: Bottom 60%	\$ 32,700	\$ -36	7.6%

Bush Tax Cuts for Capital Gains and Dividends in Arizona

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,300	\$ -1	0.0%
Second 20%	28,000	-5	0.2%
Middle 20%	43,000	-35	1.4%
Fourth 20%	68,400	-105	4.4%
Next 15%	118,900	-309	9.7%
Next 4%	259,900	-1,826	15.2%
Top 1%	1,753,300	-33,094	69.0%
ALL	\$ 76,100	\$ -478	100.0%
Addendum: Bottom 60%	\$ 28,100	\$ -14	1.7%

Bush Tax Cuts for Capital Gains and Dividends in Arkansas

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,100	\$ -0	0.0%
Second 20%	20,300	-2	0.1%
Middle 20%	35,000	-10	0.6%
Fourth 20%	57,000	-73	4.2%
Next 15%	96,100	-158	6.8%
Next 4%	193,200	-849	10.0%
Top 1%	960,500	-27,269	78.3%
ALL	\$ 55,300	\$ -343	100.0%
Addendum: Bottom 60%	\$ 21,500	\$ -4	0.7%

Bush Tax Cuts for Capital Gains and Dividends in California

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,300	\$ -2	0.1%
Second 20%	28,400	-7	0.3%
Middle 20%	46,900	-31	1.1%
Fourth 20%	75,900	-111	3.9%
Next 15%	139,500	-308	8.2%
Next 4%	331,900	-2,006	14.3%
Top 1%	2,226,000	-40,642	72.2%
ALL	\$ 88,800	\$ -560	100.0%
Addendum: Bottom 60%	\$ 29,500	\$ -13	1.4%

Bush Tax Cuts for Capital Gains and Dividends in Colorado

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,600	\$ -2	0.1%
Second 20%	28,200	-8	0.3%
Middle 20%	46,600	-75	2.9%
Fourth 20%	74,100	-66	2.5%
Next 15%	130,300	-373	10.7%
Next 4%	282,600	-1,647	12.6%
Top 1%	1,743,400	-37,138	70.8%
ALL	\$ 79,500	\$ -517	100.0%
Addendum: Bottom 60%	\$ 28,800	\$ -28	3.2%

Bush Tax Cuts for Capital Gains and Dividends in Connecticut

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 16,200	\$ -4	0.1%
Second 20%	36,400	-10	0.3%
Middle 20%	56,800	-73	1.8%
Fourth 20%	90,200	-125	3.2%
Next 15%	164,400	-605	11.4%
Next 4%	431,500	-3,144	16.3%
Top 1%	3,415,400	-53,139	66.9%
ALL	\$ 115,700	\$ -790	100.0%
Addendum: Bottom 60%	\$ 36,400	\$ -29	2.2%

Bush Tax Cuts for Capital Gains and Dividends in Delaware

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,900	\$ -0	0.0%
Second 20%	26,500	-4	0.2%
Middle 20%	46,100	-23	1.0%
Fourth 20%	74,400	-92	3.8%
Next 15%	124,100	-326	10.1%
Next 4%	260,600	-1,564	12.8%
Top 1%	1,591,700	-34,510	72.2%
ALL	\$ 76,500	\$ -484	100.0%
Addendum: Bottom 60%	\$ 28,000	\$ -9	1.1%

Bush Tax Cuts for Capital Gains and Dividends in Washington, DC

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,800	\$ -1	0.0%
Second 20%	30,300	-12	0.3%
Middle 20%	49,400	-9	0.2%
Fourth 20%	78,100	-99	2.5%
Next 15%	151,600	-516	9.8%
Next 4%	411,600	-3,752	18.8%
Top 1%	2,917,100	-50,863	68.3%
ALL	\$ 102,200	\$ -773	100.0%
Addendum: Bottom 60%	\$ 31,100	\$ -7	0.6%

Bush Tax Cuts for Capital Gains and Dividends in Florida

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 12,100	\$ -2	0.0%
Second 20%	24,600	-17	0.5%
Middle 20%	39,400	-32	0.9%
Fourth 20%	64,700	-106	2.9%
Next 15%	118,200	-359	7.5%
Next 4%	300,500	-2,545	14.1%
Top 1%	2,449,700	-53,531	74.0%
ALL	\$ 81,400	\$ -713	100.0%
Addendum: Bottom 60%	\$ 25,400	\$ -17	1.4%

Bush Tax Cuts for Capital Gains and Dividends in Georgia

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,900	\$ -0	0.0%
Second 20%	22,100	-2	0.1%
Middle 20%	37,700	-30	1.9%
Fourth 20%	61,900	-33	2.0%
Next 15%	111,200	-207	9.3%
Next 4%	242,600	-1,287	16.0%
Top 1%	1,341,500	-23,294	70.7%
ALL	\$ 65,700	\$ -328	100.0%
Addendum: Bottom 60%	\$ 23,300	\$ -11	2.0%

Bush Tax Cuts for Capital Gains and Dividends in Hawaii

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,600	\$ -0	0.0%
Second 20%	26,600	-6	0.3%
Middle 20%	43,800	-21	1.1%
Fourth 20%	70,700	-73	3.7%
Next 15%	122,300	-285	10.5%
Next 4%	256,900	-1,570	16.1%
Top 1%	1,266,200	-27,206	68.4%
ALL	\$ 69,800	\$ -391	100.0%
Addendum: Bottom 60%	\$ 27,000	\$ -9	1.3%

Bush Tax Cuts for Capital Gains and Dividends in Idaho

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,200	\$ -13	0.8%
Second 20%	23,600	-4	0.2%
Middle 20%	37,900	-49	2.9%
Fourth 20%	65,400	-89	5.0%
Next 15%	108,100	-259	11.0%
Next 4%	228,700	-1,666	18.9%
Top 1%	1,210,900	-21,639	61.3%
ALL	\$ 64,800	\$ -351	100.0%
Addendum: Bottom 60%	\$ 24,500	\$ -23	3.8%

Bush Tax Cuts for Capital Gains and Dividends in Illinois

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,300	\$ -2	0.1%
Second 20%	26,900	-19	0.8%
Middle 20%	46,600	-31	1.4%
Fourth 20%	73,500	-91	4.1%
Next 15%	127,800	-257	8.6%
Next 4%	285,000	-1,372	12.3%
Top 1%	1,772,000	-32,484	72.8%
ALL	\$ 79,300	\$ -443	100.0%
Addendum: Bottom 60%	\$ 28,300	\$ -17	2.3%

Bush Tax Cuts for Capital Gains and Dividends in Indiana

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,300	\$ -0	0.0%
Second 20%	25,300	-29	2.3%
Middle 20%	44,200	-23	1.8%
Fourth 20%	68,400	-66	5.3%
Next 15%	108,700	-238	14.4%
Next 4%	207,500	-917	14.8%
Top 1%	1,001,000	-15,483	61.3%
ALL	\$ 63,900	\$ -247	100.0%
Addendum: Bottom 60%	\$ 26,900	\$ -17	4.2%

Bush Tax Cuts for Capital Gains and Dividends in Iowa

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,100	\$ -0	0.0%
Second 20%	26,900	-6	0.5%
Middle 20%	45,200	-50	4.5%
Fourth 20%	67,600	-98	8.8%
Next 15%	105,300	-198	13.5%
Next 4%	202,400	-976	17.6%
Top 1%	891,200	-12,179	55.0%
ALL	\$ 62,300	\$ -220	100.0%
Addendum: Bottom 60%	\$ 27,500	\$ -19	5.1%

Bush Tax Cuts for Capital Gains and Dividends in Kansas

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,100	\$ -0	0.0%
Second 20%	26,600	-13	0.8%
Middle 20%	45,100	-41	2.5%
Fourth 20%	70,800	-87	5.1%
Next 15%	115,900	-216	9.6%
Next 4%	244,200	-1,299	15.4%
Top 1%	1,143,600	-22,431	66.6%
ALL	\$ 69,000	\$ -336	100.0%
Addendum: Bottom 60%	\$ 27,700	\$ -18	3.3%

Bush Tax Cuts for Capital Gains and Dividends in Kentucky

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,300	\$ -0	0.0%
Second 20%	22,400	-1	0.1%
Middle 20%	36,200	-22	2.1%
Fourth 20%	59,500	-42	3.8%
Next 15%	98,500	-191	13.0%
Next 4%	197,400	-938	17.1%
Top 1%	912,900	-14,114	63.9%
ALL	\$ 56,900	\$ -219	100.0%
Addendum: Bottom 60%	\$ 22,900	\$ -8	2.2%

Bush Tax Cuts for Capital Gains and Dividends in Louisiana

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,100	\$ -0	0.0%
Second 20%	19,900	-0	0.0%
Middle 20%	34,700	-6	0.5%
Fourth 20%	57,100	-63	5.6%
Next 15%	100,900	-165	10.9%
Next 4%	213,000	-1,015	18.0%
Top 1%	992,400	-14,949	65.0%
ALL	\$ 56,700	\$ -223	100.0%
Addendum: Bottom 60%	\$ 21,400	\$ -2	0.6%

Bush Tax Cuts for Capital Gains and Dividends in Maine

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,100	\$ -1	0.1%
Second 20%	24,700	-3	0.2%
Middle 20%	39,500	-22	1.5%
Fourth 20%	62,700	-97	7.0%
Next 15%	100,600	-259	13.6%
Next 4%	211,500	-1,366	19.6%
Top 1%	941,600	-16,409	57.8%
ALL	\$ 60,300	\$ -281	100.0%
Addendum: Bottom 60%	\$ 25,000	\$ -9	1.8%

Bush Tax Cuts for Capital Gains and Dividends in Maryland

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,400	\$ -5	0.2%
Second 20%	31,700	-24	1.1%
Middle 20%	52,700	-36	1.7%
Fourth 20%	83,500	-87	4.1%
Next 15%	143,200	-285	9.9%
Next 4%	299,900	-1,362	13.6%
Top 1%	1,699,500	-28,844	69.3%
ALL	\$ 86,100	\$ -418	100.0%
Addendum: Bottom 60%	\$ 32,700	\$ -22	3.1%

Bush Tax Cuts for Capital Gains and Dividends in Massachusetts

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,600	\$ -0	0.0%
Second 20%	30,300	-16	0.5%
Middle 20%	52,300	-47	1.4%
Fourth 20%	83,500	-114	3.4%
Next 15%	146,700	-365	8.1%
Next 4%	346,600	-2,298	13.7%
Top 1%	2,293,200	-49,035	72.9%
ALL	\$ 93,000	\$ -664	100.0%
Addendum: Bottom 60%	\$ 31,400	\$ -21	1.9%

Bush Tax Cuts for Capital Gains and Dividends in Michigan

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,000	\$ -0	0.0%
Second 20%	25,100	-7	0.5%
Middle 20%	43,300	-38	2.6%
Fourth 20%	68,600	-58	4.0%
Next 15%	112,200	-204	10.6%
Next 4%	215,000	-755	10.6%
Top 1%	1,054,300	-20,344	71.6%
ALL	\$ 64,500	\$ -283	100.0%
Addendum: Bottom 60%	\$ 26,100	\$ -15	3.2%

Bush Tax Cuts for Capital Gains and Dividends in Minnesota

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,000	\$ -1	0.0%
Second 20%	28,800	-18	1.0%
Middle 20%	49,000	-40	2.1%
Fourth 20%	76,800	-102	5.3%
Next 15%	123,800	-264	10.3%
Next 4%	269,600	-1,507	15.7%
Top 1%	1,450,900	-25,288	65.7%
ALL	\$ 76,800	\$ -382	100.0%
Addendum: Bottom 60%	\$ 30,500	\$ -20	3.1%

Bush Tax Cuts for Capital Gains and Dividends in Mississippi

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,000	\$ -1	0.1%
Second 20%	19,900	-0	0.0%
Middle 20%	33,100	-4	0.5%
Fourth 20%	55,500	-30	3.6%
Next 15%	96,100	-197	17.3%
Next 4%	185,300	-673	15.8%
Top 1%	796,100	-10,285	62.7%
ALL	\$ 52,500	\$ -167	100.0%
Addendum: Bottom 60%	\$ 20,600	\$ -2	0.6%

Bush Tax Cuts for Capital Gains and Dividends in Missouri

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,600	\$ -1	0.1%
Second 20%	24,000	-4	0.2%
Middle 20%	40,700	-37	2.4%
Fourth 20%	64,100	-133	8.5%
Next 15%	106,500	-217	10.4%
Next 4%	218,700	-1,271	16.3%
Top 1%	1,078,100	-19,399	62.1%
ALL	\$ 62,700	\$ -309	100.0%
Addendum: Bottom 60%	\$ 25,100	\$ -14	2.7%

Bush Tax Cuts for Capital Gains and Dividends in Montana

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,000	\$ -3	0.2%
Second 20%	21,700	-5	0.3%
Middle 20%	37,600	-25	1.4%
Fourth 20%	61,900	-261	14.8%
Next 15%	103,800	-235	9.8%
Next 4%	233,600	-1,955	21.9%
Top 1%	1,034,100	-18,509	51.7%
ALL	\$ 60,600	\$ -354	100.0%
Addendum: Bottom 60%	\$ 22,700	\$ -11	1.8%

Bush Tax Cuts for Capital Gains and Dividends in Nebraska

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,600	\$ -0	0.0%
Second 20%	27,300	-3	0.2%
Middle 20%	43,900	-45	2.8%
Fourth 20%	67,200	-194	11.4%
Next 15%	106,600	-249	12.5%
Next 4%	228,900	-937	11.9%
Top 1%	1,178,900	-19,621	61.2%
ALL	\$ 67,400	\$ -321	100.0%
Addendum: Bottom 60%	\$ 27,600	\$ -16	3.0%

Bush Tax Cuts for Capital Gains and Dividends in Nevada

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,800	\$ -2	0.1%
Second 20%	28,800	-6	0.1%
Middle 20%	45,100	-45	1.1%
Fourth 20%	70,600	-59	1.6%
Next 15%	119,800	-191	3.7%
Next 4%	299,400	-2,154	11.1%
Top 1%	2,901,400	-63,230	82.3%
ALL	\$ 90,400	\$ -769	100.0%
Addendum: Bottom 60%	\$ 28,900	\$ -17	1.3%

Bush Tax Cuts for Capital Gains and Dividends in New Hampshire

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,700	\$ -7	0.3%
Second 20%	32,800	-27	1.1%
Middle 20%	53,000	-41	1.7%
Fourth 20%	85,100	-132	5.4%
Next 15%	136,400	-331	10.0%
Next 4%	284,400	-1,879	15.7%
Top 1%	1,464,200	-31,292	65.8%
ALL	\$ 83,700	\$ -488	100.0%
Addendum: Bottom 60%	\$ 33,200	\$ -25	3.0%

Bush Tax Cuts for Capital Gains and Dividends in New Jersey

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,800	\$ -1	0.0%
Second 20%	32,900	-8	0.3%
Middle 20%	55,300	-53	2.2%
Fourth 20%	88,800	-159	6.6%
Next 15%	159,300	-373	11.7%
Next 4%	365,500	-2,255	18.8%
Top 1%	2,023,100	-29,097	60.4%
ALL	\$ 95,200	\$ -473	100.0%
Addendum: Bottom 60%	\$ 34,000	\$ -21	2.6%

Bush Tax Cuts for Capital Gains and Dividends in New Mexico

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,000	\$ -0	0.0%
Second 20%	24,500	-1	0.1%
Middle 20%	39,800	-26	1.9%
Fourth 20%	63,700	-103	7.4%
Next 15%	109,700	-225	12.2%
Next 4%	220,100	-1,271	18.4%
Top 1%	993,700	-16,688	60.0%
ALL	\$ 62,500	\$ -275	100.0%
Addendum: Bottom 60%	\$ 25,200	\$ -9	2.0%

Bush Tax Cuts for Capital Gains and Dividends in New York

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,900	\$ -1	0.0%
Second 20%	25,600	-6	0.2%
Middle 20%	45,900	-33	1.0%
Fourth 20%	74,400	-95	2.9%
Next 15%	134,300	-280	6.5%
Next 4%	340,600	-1,770	10.9%
Top 1%	2,669,100	-50,867	78.5%
ALL	\$ 90,500	\$ -640	100.0%
Addendum: Bottom 60%	\$ 27,500	\$ -13	1.2%

Bush Tax Cuts for Capital Gains and Dividends in North Carolina

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,000	\$ -1	0.1%
Second 20%	23,400	-5	0.4%
Middle 20%	38,800	-18	1.2%
Fourth 20%	62,800	-61	4.2%
Next 15%	107,800	-221	11.2%
Next 4%	233,400	-1,318	18.2%
Top 1%	1,107,600	-19,009	64.7%
ALL	\$ 62,800	\$ -289	100.0%
Addendum: Bottom 60%	\$ 24,400	\$ -8	1.7%

Bush Tax Cuts for Capital Gains and Dividends in North Dakota

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,400	\$ —	—
Second 20%	25,200	-8	0.9%
Middle 20%	43,000	-45	4.6%
Fourth 20%	65,100	-69	7.3%
Next 15%	104,900	-221	17.6%
Next 4%	206,900	-511	10.8%
Top 1%	820,300	-10,513	58.7%
ALL	\$ 61,300	\$ -190	100.0%
Addendum: Bottom 60%	\$ 26,200	\$ -18	5.5%

Bush Tax Cuts for Capital Gains and Dividends in Ohio

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,100	\$ -1	0.1%
Second 20%	25,400	-14	1.1%
Middle 20%	41,300	-45	3.7%
Fourth 20%	62,900	-85	6.8%
Next 15%	103,200	-190	11.5%
Next 4%	205,600	-1,023	16.4%
Top 1%	955,400	-14,298	60.4%
ALL	\$ 61,000	\$ -244	100.0%
Addendum: Bottom 60%	\$ 25,900	\$ -20	4.8%

Bush Tax Cuts for Capital Gains and Dividends in Oklahoma

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,300	\$ -0	0.0%
Second 20%	21,600	-2	0.1%
Middle 20%	36,700	-20	1.6%
Fourth 20%	61,500	-63	4.9%
Next 15%	104,100	-170	10.1%
Next 4%	213,300	-847	13.5%
Top 1%	1,214,700	-17,719	69.7%
ALL	\$ 61,300	\$ -251	100.0%
Addendum: Bottom 60%	\$ 22,500	\$ -8	1.8%

Bush Tax Cuts for Capital Gains and Dividends in Oregon

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,500	\$ -0	0.0%
Second 20%	24,100	-9	0.5%
Middle 20%	41,100	-54	3.3%
Fourth 20%	66,200	-122	7.5%
Next 15%	114,900	-271	12.4%
Next 4%	240,600	-1,053	13.0%
Top 1%	1,131,000	-20,746	63.3%
ALL	\$ 66,100	\$ -325	100.0%
Addendum: Bottom 60%	\$ 25,200	\$ -21	3.8%

Bush Tax Cuts for Capital Gains and Dividends in Pennsylvania

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,200	\$ -0	0.0%
Second 20%	27,400	-13	0.7%
Middle 20%	44,700	-43	2.5%
Fourth 20%	68,800	-79	4.6%
Next 15%	117,100	-247	10.7%
Next 4%	253,000	-1,439	16.7%
Top 1%	1,300,500	-22,401	64.8%
ALL	\$ 70,200	\$ -342	100.0%
Addendum: Bottom 60%	\$ 27,800	\$ -19	3.2%

Bush Tax Cuts for Capital Gains and Dividends in Rhode Island

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,400	\$ -0	0.0%
Second 20%	25,200	-16	1.0%
Middle 20%	45,200	-19	1.2%
Fourth 20%	70,400	-41	2.6%
Next 15%	119,100	-214	10.4%
Next 4%	264,200	-1,513	19.3%
Top 1%	1,203,200	-20,482	65.5%
ALL	\$ 69,700	\$ -309	100.0%
Addendum: Bottom 60%	\$ 26,600	\$ -12	2.2%

Bush Tax Cuts for Capital Gains and Dividends in South Carolina

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,800	\$ -0	0.0%
Second 20%	21,900	-2	0.2%
Middle 20%	35,300	-11	0.8%
Fourth 20%	59,000	-67	4.9%
Next 15%	100,200	-204	11.2%
Next 4%	208,000	-1,278	18.7%
Top 1%	1,021,500	-17,420	64.2%
ALL	\$ 58,000	\$ -269	100.0%
Addendum: Bottom 60%	\$ 22,400	\$ -5	1.0%

Bush Tax Cuts for Capital Gains and Dividends in South Dakota

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,300	\$ -5	0.3%
Second 20%	24,100	-16	1.0%
Middle 20%	40,500	-67	4.0%
Fourth 20%	64,500	-147	9.2%
Next 15%	105,500	-222	10.1%
Next 4%	208,100	-1,523	18.9%
Top 1%	1,099,400	-17,548	56.4%
ALL	\$ 62,500	\$ -320	100.0%
Addendum: Bottom 60%	\$ 24,900	\$ -29	5.3%

Bush Tax Cuts for Capital Gains and Dividends in Tennessee

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 10,300	\$ -0	0.0%
Second 20%	22,400	-2	0.2%
Middle 20%	37,300	-24	1.8%
Fourth 20%	59,200	-35	2.5%
Next 15%	100,200	-156	9.1%
Next 4%	217,800	-794	11.9%
Top 1%	1,195,200	-20,271	74.5%
ALL	\$ 60,900	\$ -265	100.0%
Addendum: Bottom 60%	\$ 23,300	\$ -9	1.9%

Bush Tax Cuts for Capital Gains and Dividends in Texas

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,400	\$ -1	0.1%
Second 20%	24,600	-3	0.1%
Middle 20%	40,500	-57	2.9%
Fourth 20%	66,900	-48	2.4%
Next 15%	120,700	-207	7.8%
Next 4%	271,300	-1,264	12.8%
Top 1%	1,699,000	-29,255	73.9%
ALL	\$ 73,900	\$ -393	100.0%
Addendum: Bottom 60%	\$ 25,500	\$ -20	3.1%

Bush Tax Cuts for Capital Gains and Dividends in Utah

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,800	\$ -0	0.0%
Second 20%	25,400	-6	0.4%
Middle 20%	42,900	-14	0.8%
Fourth 20%	70,300	-64	3.7%
Next 15%	113,900	-147	6.4%
Next 4%	234,600	-1,410	16.3%
Top 1%	1,339,700	-24,696	72.4%
ALL	\$ 69,400	\$ -342	100.0%
Addendum: Bottom 60%	\$ 26,700	\$ -7	1.2%

Bush Tax Cuts for Capital Gains and Dividends in Vermont

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,000	\$ -8	0.4%
Second 20%	26,900	-9	0.4%
Middle 20%	45,000	-51	2.4%
Fourth 20%	70,800	-99	4.6%
Next 15%	117,000	-352	12.2%
Next 4%	251,600	-2,610	24.2%
Top 1%	1,167,800	-23,731	55.8%
ALL	\$ 69,600	\$ -428	100.0%
Addendum: Bottom 60%	\$ 27,600	\$ -23	3.2%

Bush Tax Cuts for Capital Gains and Dividends in Virginia

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 11,400	\$ -1	0.0%
Second 20%	27,200	-10	0.5%
Middle 20%	46,900	-21	1.0%
Fourth 20%	77,900	-122	6.0%
Next 15%	136,000	-293	10.8%
Next 4%	289,700	-1,767	17.3%
Top 1%	1,490,800	-25,561	64.4%
ALL	\$ 79,200	\$ -403	100.0%
Addendum: Bottom 60%	\$ 28,500	\$ -10	1.5%

Bush Tax Cuts for Capital Gains and Dividends in Washington

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,000	\$ -1	0.0%
Second 20%	29,600	-4	0.1%
Middle 20%	49,200	-47	1.7%
Fourth 20%	78,300	-136	4.8%
Next 15%	132,200	-292	7.8%
Next 4%	286,300	-2,007	14.3%
Top 1%	1,707,400	-40,113	71.3%
ALL	\$ 81,200	\$ -554	100.0%
Addendum: Bottom 60%	\$ 30,700	\$ -17	1.9%

Bush Tax Cuts for Capital Gains and Dividends in West Virginia

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 9,400	\$ -0	0.0%
Second 20%	20,400	-19	2.5%
Middle 20%	34,400	-19	2.5%
Fourth 20%	56,400	-34	4.5%
Next 15%	93,000	-116	11.5%
Next 4%	169,800	-696	18.5%
Top 1%	667,800	-9,168	60.5%
ALL	\$ 51,000	\$ -150	100.0%
Addendum: Bottom 60%	\$ 21,400	\$ -12	4.9%

Bush Tax Cuts for Capital Gains and Dividends in Wisconsin

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 12,800	\$ -1	0.1%
Second 20%	27,300	-16	1.1%
Middle 20%	45,900	-69	4.7%
Fourth 20%	70,600	-65	4.4%
Next 15%	111,200	-214	10.8%
Next 4%	222,400	-1,363	18.4%
Top 1%	1,102,800	-17,962	60.6%
ALL	\$ 67,800	\$ -296	100.0%
Addendum: Bottom 60%	\$ 28,700	\$ -29	5.8%

Bush Tax Cuts for Capital Gains and Dividends in Wyoming

Income group	Ave. 2009 Income	Average tax cuts	% of tax cut
		2009	2009
Lowest 20%	\$ 13,900	\$ -0	0.0%
Second 20%	32,300	-2	0.0%
Middle 20%	50,900	-188	4.0%
Fourth 20%	77,800	-129	2.6%
Next 15%	122,300	-311	4.7%
Next 4%	271,400	-2,017	8.5%
Top 1%	2,641,800	-78,265	80.2%
ALL	\$ 90,300	\$ -977	100.0%
Addendum: Bottom 60%	\$ 32,800	\$ -67	4.1%