CORRECTION OF ERROR IN TABLE 3 OF JCS-1-05, ESTIMATES OF FEDERAL TAX EXPENDITURES FOR FISCAL YEARS 2005-2009

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

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INTRODUCTION

This document[1] contains corrected information for the Joint Committee on Taxation report, *Estimates of Federal Tax Expenditures for Fiscal Years 2005-2009* (JCS-1-05). Table 3 of JCS-1-05 contained erroneous data concerning the distribution of the following tax expenditures: (1) real estate tax deduction; (2) State and local income, sales, and personal property tax deductions; and (3) the mortgage interest deduction. This document includes a corrected Table 3 that supersedes the table included in the original publication. We apologize for any inconvenience this error may have caused.

[1] This document may be cited as follows: Joint Committee on Taxation, *Correction of Error in Table 3 of JCS-1-05, Estimates of Federal Tax Expenditures for Fiscal Years 2005-2009*, (JCX-13-05), March 17, 2005.

Table 3.--Distribution by Income Class of Selected Individual Tax Expenditure Items, at 2004 Rates and 2004 Income Levels [1]

[Money amounts in millions of dollars, returns in thousands]

Income Class [2]	Medical deduction		Real estate tax deduction	
	Returns	*Amount*	*Returns*	*Amount*
Below $10,000	3	[3]	2	[3]
$10,000 to $20,000	189	$50	235	$28
$20,000 to $30,000	503	188	825	135
$30,000 to $40,000	1,002	471	2,127	370
$40,000 to $50,000	1,096	711	3,216	736
$50,000 to $75,000	2,341	2,275	9,094	2,794
$75,000 to $100,000	1,290	1,512	8,590	3,450
$100,000 to $200,000	777	1,808	11,256	8,296
$200,000 and over	67	621	1,913	3,451
Total	**7,268**	**$7,633**	**37,259**	**$19,260**

Footnotes appear at the end of the table.

Table 3.--Distribution by Income Class of Selected Individual Tax Expenditure Items, at 2004 Rates and 2004 Income Levels [1] -- Continued

[Money amounts in millions of dollars, returns in thousands]

Income Class [2]	State and local income, sales, and personal property tax deduction		Charitable contribution deduction	
	Returns	***Amount***	***Returns***	***Amount***
Below $10,000	8	[3]	2	$1
$10,000 to $20,000	342	$25	251	30
$20,000 to $30,000	1,122	149	884	135
$30,000 to $40,000	2,651	435	2,158	405
$40,000 to $50,000	3,940	966	3,303	794
$50,000 to $75,000	10,482	4,095	9,170	2,917
$75,000 to $100,000	9,380	5,474	8,781	3,668
$100,000 to $200,000	12,291	15,278	11,883	9,473
$200,000 and over	2,817	18,633	3,152	16,997
Total	**43,034**	**$45,054**	**39,584**	**$34,419**

Footnotes appear at the end of the table.

Table 3.--Distribution by Income Class of Selected Individual Tax Expenditure Items, at 2004 Rates and 2004 Income Levels [1] -- Continued

[Money amounts in millions of dollars, returns in thousands]

Income Class [2]	Child care credit		Earned income credit [4]	
	Returns	*Amount*	*Returns*	*Amount*
Below $10,000	[5]	[3]	5,383	$6,641
$10,000 to $20,000	82	$25	6,152	15,522
$20,000 to $30,000	373	172	4,783	10,620
$30,000 to $40,000	633	361	3,471	4,605
$40,000 to $50,000	567	328	951	587
$50,000 to $75,000	1,265	640	98	73
$75,000 to $100,000	1,142	560	---	---
$100,000 to $200,000	1,357	710	---	---
$200,000 and over	223	120	---	---
Total	**5,641**	**$2,915**	**20,838**	**$38,048**

Footnotes appear at the end of the table.

Table 3.--Distribution by Income Class of Selected Individual Tax Expenditure Items, at 2004 Rates and 2004 Income Levels [1] -- Continued

[Money amounts in millions of dollars, returns in thousands]

Income Class [2]	Untaxed Social Security and Railroad Retirement benefits		Child Tax Credit [4]	
	Returns	*Amount*	*Returns*	*Amount*
Below $10,000	137	$8	129	$161
$10,000 to $20,000	3,587	760	3,331	1,893
$20,000 to $30,000	4,848	3,335	4,422	5,158
$30,000 to $40,000	3,558	4,048	4,219	6,500
$40,000 to $50,000	2,947	3,591	3,406	5,563
$50,000 to $75,000	5,743	7,895	6,851	11,646
$75,000 to $100,000	2,706	1,768	4,982	8,634
$100,000 to $200,000	2,225	710	4,654	7,236
$200,000 and over	550	180	8	9
Total	**26,301**	**$22,295**	**32,002**	**$46,799**

Footnotes appear at the end of the table.

Table 3.--Distribution by Income Class of Selected Individual Tax Expenditure Items, at 2004 Rates and 2004 Income Levels [1] -- Continued

[Money amounts in millions of dollars, returns in thousands]

Income Class [2]	Mortgage interest deduction	
	Returns	***Amount***
Below $10,000	13	$2
$10,000 to $20,000	333	104
$20,000 to $30,000	1,057	467
$30,000 to $40,000	2,332	1,166
$40,000 to $50,000	3,517	2,329
$50,000 to $75,000	9,358	8,951
$75,000 to $100,000	8,410	10,867
$100,000 to $200,000	10,949	28,498
$200,000 and over	2,791	17,761
Total	**38,759**	**$70,146**

Footnotes for Table 3:

[1] Excludes individuals who are dependents of other taxpayers and taxpayers with negative income.

[2] The income concept used to place tax returns into classes is adjusted gross income (AGI) plus: (a) tax-exempt interest, (b) employer contributions for health plans and life insurance, (c) employer share of FICA tax, (d) workers' compensation, (e) nontaxable Social Security benefits, (f) insurance value of Medicare benefits, (g) alternative minimum tax preference items, and (h) excluded income of U.S. citizens living abroad.

[3] Less than $500,000.

[4] Includes the refundable portion.

[5] Less than 500,000 returns.

Note.--Details may not add to totals due to rounding.

Source: Joint Committee on Taxation