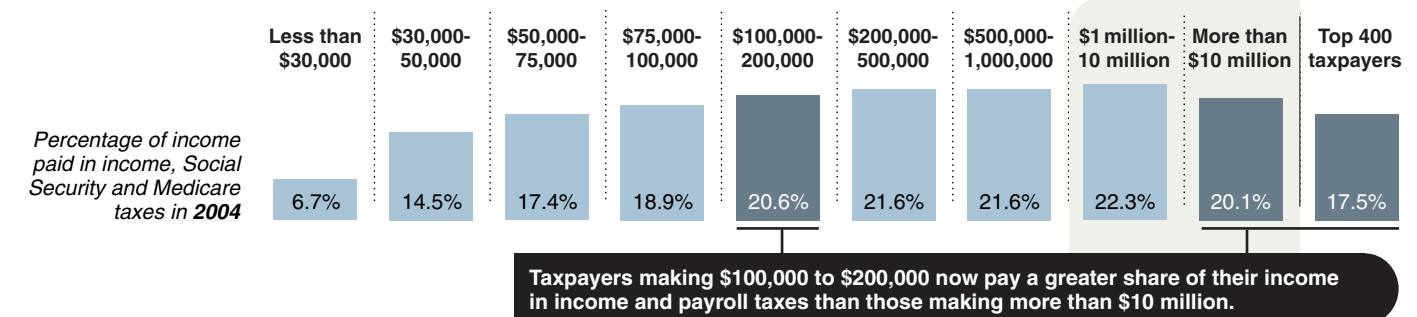
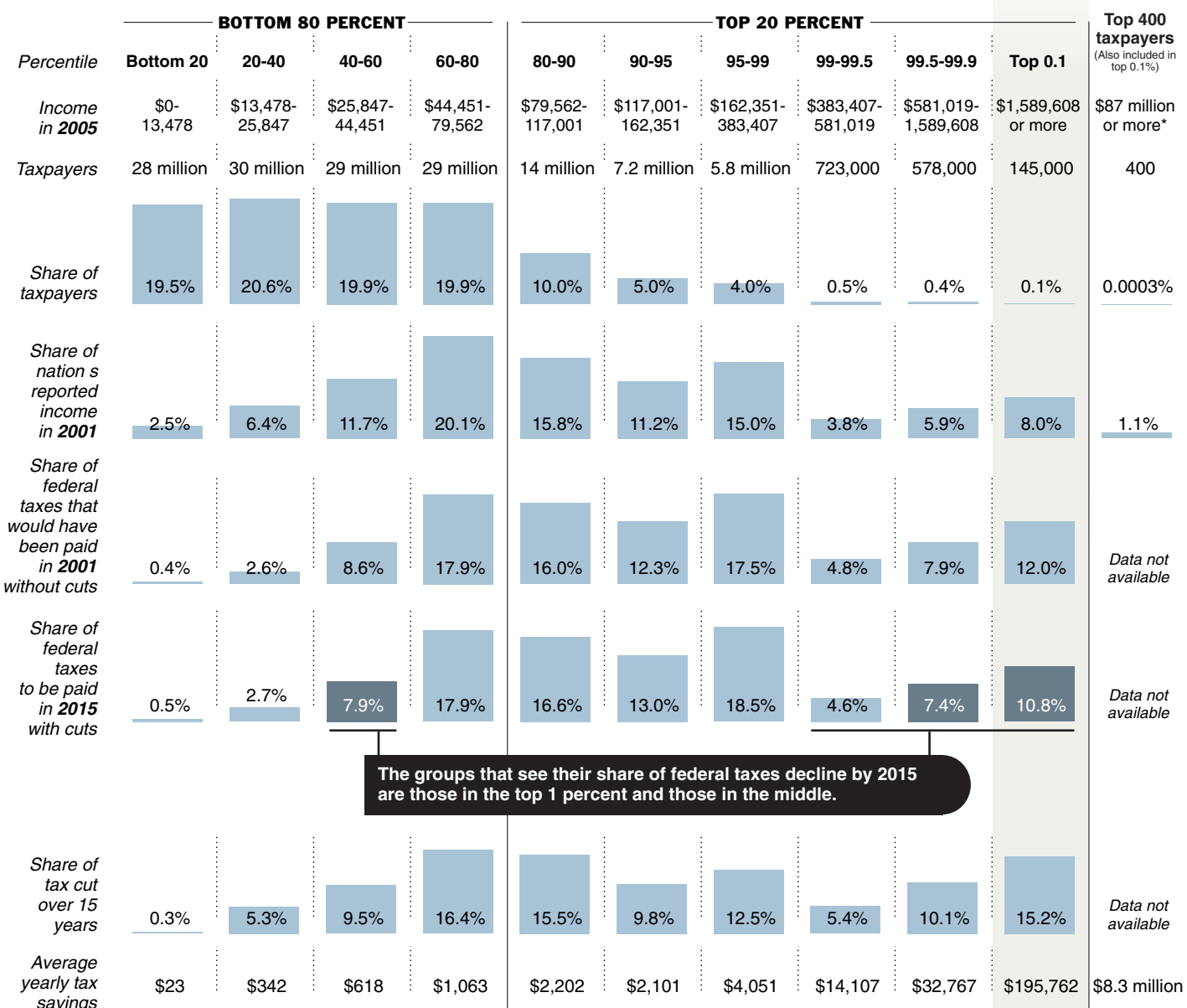
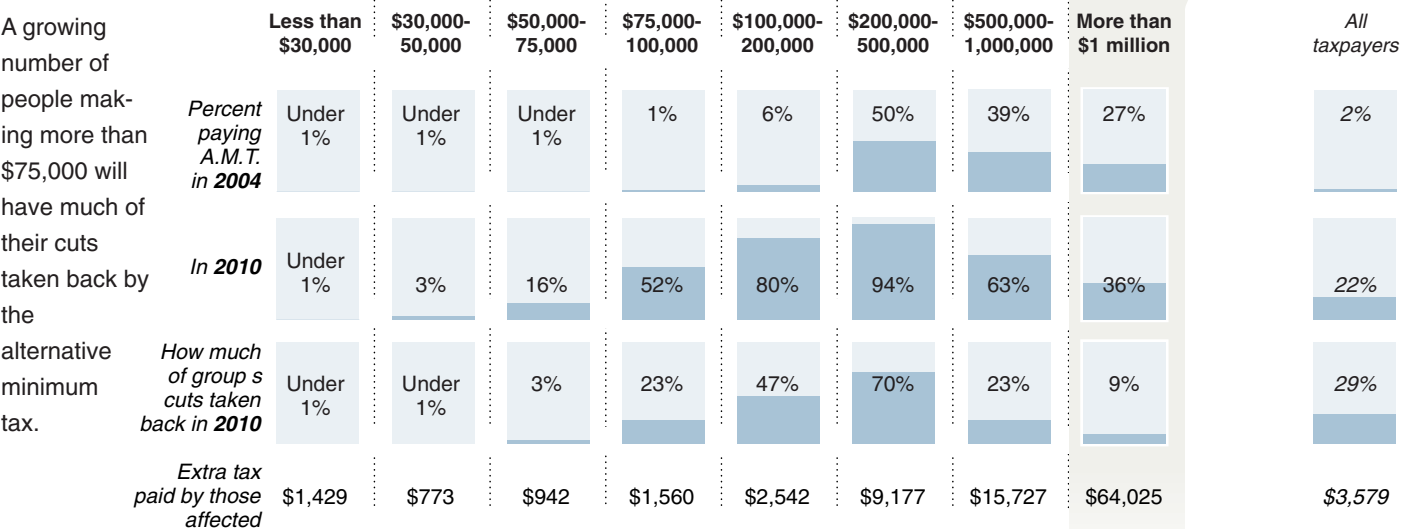


The Wealthiest Benefit More From the Recent Tax Cuts

Under the recent tax cuts, the richest taxpayers get the largest break, in dollars and in the drop in their share of all federal taxes paid. That is because those taxpayers benefit most from lower taxes on dividends and investment gains, and because the alternative minimum tax, which was originally intended to apply only to the very richest people, now takes back a large portion of the tax cuts of people who are not the richest. Taxpayers refers to both single and joint filers.



THE STEALTH TAX



* For 2000.

ABOUT THE DATA The calculations come from four sources. The data on income growth come from government tax return records analyzed by Emmanuel Saez, economics professor at the University of California, Berkeley, and Thomas Piketty, economics professor at the cole des Hautes Etudes en Sciences Sociales in Paris. The data on wealth come from the Federal Reserve's Consumer Finance Survey, analyzed by Edward Wolff, a professor of economics at New York University. The estimates of taxes come from a computer model of the Tax Policy Center, a joint project of the Urban Institute and the Brookings Institution, and include income, corporate and estate taxes and proposals in the president's 2006 budget to extend the cuts indefinitely. The data on the 400 highest-income taxpayers come from an Internal Revenue Service report, with 2004 tax rules applied to 2000 data. All data are the most recent available. Links to the data sets used in the analysis are available at nytimes.com/class.