

Table T10-0183
Bipartisan Tax Fairness and Simplification Act of 2010 vs. Current Policy
Number of Tax Units with a Change in Effective Marginal Tax Rate
on Wage Income by Cash Income Percentile, 2014¹

Cash Income Percentile ^{2,3}	Tax Units with Wages and Salaries (thousands) ⁴	Tax Units with a Change in Effective Marginal Rate on Wages Relative to Current Policy		
		Percent with Increase	Percent with Decrease	Percent with No Change
Lowest Quintile	23,743	6.6	29.5	63.9
Second Quintile	25,802	4.2	34.1	61.7
Middle Quintile	26,964	5.1	39.9	54.9
Fourth Quintile	23,764	11.7	37.5	50.8
Top Quintile	20,775	35.0	28.3	36.7
All	121,293	11.6	34.1	54.3
Addendum				
80-90	10,695	22.7	39.0	38.2
90-95	5,129	50.3	23.2	26.4
95-99	3,993	46.3	10.0	43.6
Top 1 Percent	958	43.0	11.3	45.8
Top 0.1 Percent	97	27.9	11.6	60.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current policy. Effective marginal rate is determined by calculating individual income tax, and then adding \$1,000 to wages and salaries and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000. Tax units reporting zero wages and salaries are eliminated from the analysis. Estimates do not include the Medicare surtax enacted as part of the health reform legislation.

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

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,925, 40% \$38,371, 60% \$67,991, 80% \$116,859, 90% \$169,290, 95% \$237,098, 99% \$632,966, 99.9% \$2,923,051.

(4) Includes both filing and nonfiling units but excludes those that are dependents of other tax units.