

Table T11-0190
Exempt All Capital Income from Taxation
Baseline: Current Law
Distribution by Cash Income Level, 2011¹

Cash Income Level (thousands of 2011 dollars) ²	Total Returns ³		Returns with Zero Income Tax Liability ³				Returns with Zero Income Tax Liability Only Under Proposal ³			
	Number (thousands)	Percent	Baseline		Proposal		Returns		Average Federal Tax Change (\$)	
			All Returns (thousands)	Elderly (Percent)	All Returns (thousands)	Elderly (Percent)	All Returns (thousands)	Elderly (Percent)	All Returns	Elderly
Less than 10	24,457	14.9	24,282	13.4	24,269	13.4	**	***	***	***
10-20	28,266	17.2	22,802	38.4	22,866	38.4	82	20.4	-240	-201
20-30	20,763	12.7	12,623	31.8	12,817	32.4	222	62.5	-391	-310
30-40	17,188	10.5	7,088	22.6	7,526	26.1	462	81.1	-429	-413
40-50	13,691	8.4	4,186	31.1	4,497	34.7	324	82.1	-961	-938
50-75	19,752	12.1	2,857	22.8	3,397	32.5	560	82.6	-1,766	-1,795
75-100	13,684	8.4	723	16.2	1,015	36.1	304	82.0	-3,741	-3,930
100-200	18,322	11.2	381	21.5	721	49.4	346	79.2	-7,846	-8,678
200-500	5,366	3.3	81	23.8	276	44.2	195	52.5	-24,055	-24,354
500-1,000	907	0.6	22	24.1	87	46.7	65	54.4	-61,164	-62,890
More than 1,000	433	0.3	7	10.4	57	37.8	50	41.5	-474,918	-390,671
All	163,869	100.0	76,077	26.1	78,544	27.7	2,609	74.4	-14,521	-9,008

Cash Income Level (thousands of 2011 dollars) ²	Tax Units with Tax Increase or Cut ³				Average Federal Tax Change (\$)	Elderly Tax Units with Tax Increase or Cut ³				Average Federal Tax Change for Elderly (\$)
	With Tax Cut		With Tax Increase			With Tax Cut		With Tax Increase		
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase		Pct of Elderly Tax Units	Avg Tax Cut	Pct of Elderly Tax Units	Avg Tax Increase	
Less than 10	0.1	15.4	0.1	601.1	0	*	***	*	***	0
10-20	2.9	68.8	0.4	374.7	-1	0.3	169.2	0.1	194.8	0
20-30	10.2	117.6	1.2	274.7	-9	9.1	235.2	0.7	216.5	-20
30-40	22.1	147.2	2.0	371.9	-25	38.5	242.9	2.2	333.9	-86
40-50	29.0	216.0	2.5	340.8	-54	42.3	437.9	2.4	372.5	-176
50-75	46.0	407.9	5.1	406.5	-167	68.2	855.7	5.4	531.4	-554
75-100	57.3	557.6	7.8	386.3	-289	79.9	1,365.1	7.0	435.7	-1,060
100-200	71.2	1,187.7	11.1	489.3	-792	84.0	3,289.8	9.3	447.6	-2,723
200-500	78.3	5,494.1	16.4	741.9	-4,182	88.5	10,960.0	8.1	716.0	-9,643
500-1,000	83.7	18,698.0	11.9	1,496.6	-15,463	90.6	34,282.4	3.9	1,956.5	-30,970
More than 1,000	91.9	153,913.6	5.9	8,502.5	-141,005	96.2	196,138.7	2.8	12,169.4	-188,386
All	28.1	2,690.1	3.8	544.8	-735	35.5	3,996.1	3.0	515.4	-1,402

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

* Less than 0.05.

** Less than 0.5.

*** Insufficient data.

(1) Calendar year. Baseline is current law. Proposal would exclude interest income, dividends, and gains from sales of capital assets from gross income and repeal the deduction for investment interest.

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