

Table T06-0208
Landrieu Estate Tax Proposal, S.3626
Distribution of Federal Tax Change by Cash Income Class, 2011¹

Cash Income Class (thousands of 2005 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.1	-2	-0.8	0.0	0.2	0.0	4.3
10-20	0.0	0.0	0.0	0.5	-6	-0.6	0.0	0.9	0.0	6.0
20-30	0.0	0.0	0.1	1.0	-13	-0.4	0.0	2.7	-0.1	12.0
30-40	0.0	0.0	0.1	0.9	-15	-0.2	0.0	3.8	0.0	16.1
40-50	0.0	0.0	0.1	1.5	-35	-0.4	0.0	4.4	-0.1	18.5
50-75	0.0	0.0	0.1	2.2	-30	-0.2	0.1	11.8	0.0	20.9
75-100	0.0	0.0	0.1	2.4	-51	-0.2	0.1	11.2	-0.1	22.6
100-200	0.1	0.0	0.5	34.1	-545	-1.4	-0.1	25.9	-0.4	25.1
200-500	0.2	0.0	0.7	29.3	-1,698	-1.9	-0.1	16.4	-0.5	27.3
500-1,000	0.4	0.0	0.7	10.6	-3,854	-1.7	0.0	6.5	-0.5	28.6
More than 1,000	0.7	0.0	0.5	16.1	-11,422	-1.1	0.0	16.0	-0.4	32.1
All	0.0	0.0	0.3	100.0	-192	-1.1	0.0	100.0	-0.3	23.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2011¹

Cash Income Class (thousands of 2005 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	17,076	11.0	6,303	272	6,031	4.3	0.9	1.1	0.2
10-20	24,604	15.8	17,000	1,024	15,976	6.0	3.5	4.3	0.9
20-30	22,025	14.1	28,090	3,390	24,700	12.1	5.2	6.0	2.7
30-40	16,710	10.7	39,487	6,356	33,131	16.1	5.5	6.1	3.8
40-50	13,168	8.4	50,814	9,420	41,394	18.5	5.6	6.0	4.4
50-75	22,575	14.5	69,796	14,614	55,182	20.9	13.2	13.6	11.7
75-100	14,102	9.0	98,049	22,227	75,822	22.7	11.6	11.7	11.2
100-200	18,722	12.0	152,864	38,956	113,908	25.5	24.0	23.4	25.9
200-500	5,166	3.3	324,098	90,254	233,844	27.9	14.0	13.2	16.6
500-1,000	825	0.5	769,080	223,525	545,555	29.1	5.3	4.9	6.6
More than 1,000	423	0.3	3,274,032	1,063,621	2,210,411	32.5	11.6	10.2	16.0
All	155,984	100.0	76,577	18,028	58,549	23.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3A).

(1) Calendar year. Baseline is current law. Provisions include: \$5 million effective exemption, indexed for inflation after 2010, reduced (but not below zero) by 5 percent of amount by which taxable estate exceeds \$100 million; allow additional \$2.5 million deduction for qualified family-owned business interests (QFOBI); impose single statutory estate tax rate of 35 percent; repeal the state death tax credit and replace with a deduction for state estate taxes paid; repeal the 5-percent surtax.

(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. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.