

Table T07-0027
Extend Marriage Penalty Relief, Pre-EGTRRA Baseline with AMT Fix
Distribution of Federal Tax Change by Cash Income Class, 2010¹

| Cash Income Class (thousands of 2006 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 | 0.6 | 0.0 | 0.0 | 0.1 | -1 | -0.5 | 0.0 | 0.2 | 0.0 | 4.4 |
| 10-20 | 3.7 | 0.1 | 0.1 | 0.6 | -9 | -1.1 | 0.0 | 0.8 | -0.1 | 5.4 |
| 20-30 | 13.6 | 0.1 | 0.2 | 2.9 | -57 | -1.9 | 0.0 | 2.4 | -0.2 | 11.3 |
| 30-40 | 18.4 | 0.0 | 0.3 | 3.4 | -88 | -1.5 | 0.0 | 3.4 | -0.2 | 15.4 |
| 40-50 | 21.2 | 0.0 | 0.2 | 2.5 | -78 | -0.9 | 0.0 | 4.3 | -0.2 | 18.1 |
| 50-75 | 29.8 | 0.0 | 0.2 | 4.9 | -91 | -0.7 | 0.1 | 11.3 | -0.1 | 20.5 |
| 75-100 | 43.8 | 0.1 | 0.7 | 16.6 | -488 | -2.3 | -0.1 | 10.7 | -0.5 | 21.7 |
| 100-200 | 75.5 | 0.1 | 1.0 | 51.9 | -1,142 | -3.1 | -0.4 | 25.0 | -0.8 | 24.5 |
| 200-500 | 75.4 | 0.0 | 0.5 | 14.0 | -1,091 | -1.3 | 0.0 | 16.8 | -0.4 | 27.7 |
| 500-1,000 | 71.3 | 0.0 | 0.2 | 2.1 | -1,047 | -0.5 | 0.1 | 6.9 | -0.1 | 30.2 |
| More than 1,000 | 74.9 | 0.0 | 0.1 | 1.2 | -1,103 | -0.1 | 0.3 | 18.1 | 0.0 | 35.3 |
| All | 26.8 | 0.0 | 0.5 | 100.0 | -267 | -1.5 | 0.0 | 100.0 | -0.4 | 23.5 |

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010¹

| Cash Income Class (thousands of 2006 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 | 17,249 | 11.2 | 6,020 | 263 | 5,756 | 4.4 | 0.9 | 1.1 | 0.2 |
| 10-20 | 25,257 | 16.3 | 16,275 | 883 | 15,392 | 5.4 | 3.6 | 4.4 | 0.8 |
| 20-30 | 21,136 | 13.7 | 26,983 | 3,107 | 23,876 | 11.5 | 5.0 | 5.8 | 2.4 |
| 30-40 | 15,865 | 10.3 | 37,911 | 5,933 | 31,978 | 15.7 | 5.2 | 5.8 | 3.4 |
| 40-50 | 13,044 | 8.4 | 48,808 | 8,908 | 39,900 | 18.3 | 5.5 | 5.9 | 4.2 |
| 50-75 | 22,180 | 14.3 | 67,154 | 13,844 | 53,310 | 20.6 | 13.0 | 13.5 | 11.2 |
| 75-100 | 14,059 | 9.1 | 94,376 | 21,002 | 73,373 | 22.3 | 11.5 | 11.8 | 10.8 |
| 100-200 | 18,782 | 12.1 | 147,048 | 37,118 | 109,930 | 25.2 | 24.0 | 23.6 | 25.4 |
| 200-500 | 5,289 | 3.4 | 310,634 | 86,968 | 223,665 | 28.0 | 14.3 | 13.5 | 16.8 |
| 500-1,000 | 831 | 0.5 | 738,482 | 223,792 | 514,690 | 30.3 | 5.3 | 4.9 | 6.8 |
| More than 1,000 | 431 | 0.3 | 3,204,623 | 1,131,634 | 2,072,989 | 35.3 | 12.0 | 10.2 | 17.8 |
| All | 154,718 | 100.0 | 74,322 | 17,718 | 56,604 | 23.8 | 100.0 | 100.0 | 100.0 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Baseline is pre-EGTRRA law plus indexation of the AMT exemption at 2006 levels and allowance of personal credits against the AMT. Proposal includes the use of AGI for the EITC phase-out, the \$3,000 addition to the second kink point for joint filers, indexation of the addition to the second kink point for joint filers, the \$1,000 increase in the standard deduction for joint filers, and the increase in the 15 percent bracket amount for joint filers.

(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.