

Table T07-0016
Extend 10 Percent Tax Bracket, Pre-EGTRRA Baseline with AMT Fix
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile 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 (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Lowest Quintile	13.4	0.5	0.2	0.9	-18	-4.7	0.0	0.4	-0.2	3.8
Second Quintile	53.2	1.7	0.9	9.7	-189	-8.3	-0.2	2.4	-0.8	8.9
Middle Quintile	83.1	0.8	1.2	21.2	-414	-5.9	-0.3	7.6	-1.0	15.8
Fourth Quintile	96.8	0.1	1.1	31.7	-619	-4.0	-0.3	17.0	-0.9	20.2
Top Quintile	94.8	0.1	0.4	36.5	-713	-1.1	0.8	72.4	-0.3	27.8
All	68.2	0.6	0.7	100.0	-391	-2.2	0.0	100.0	-0.5	23.3
Addendum										
Top 10 Percent	91.7	0.1	0.3	18.0	-702	-0.7	0.9	56.8	-0.2	29.4
Top 5 Percent	86.4	0.1	0.2	8.5	-664	-0.4	0.8	44.6	-0.1	30.8
Top 1 Percent	79.9	0.1	0.1	1.6	-614	-0.1	0.6	26.7	0.0	33.5
Top 0.5 Percent	81.7	0.1	0.0	0.8	-629	-0.1	0.5	21.7	0.0	34.5
Top 0.1 Percent	80.3	0.1	0.0	0.2	-621	0.0	0.3	13.3	0.0	36.3

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

Cash Income Percentile 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-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	30,349.0	19.6	9,317.0	375.0	8,942	4.0	2.5	3.1	0.4
Second Quintile	30,951.0	20.0	23,511.0	2,289.0	21,222	9.7	6.3	7.5	2.6
Middle Quintile	30,935.0	20.0	41,886.0	7,020.0	34,867	16.8	11.3	12.3	7.9
Fourth Quintile	30,943.0	20.0	72,976.0	15,353.0	57,622	21.0	19.6	20.4	17.3
Top Quintile	30,945.0	20.0	225,458.0	63,407.0	162,051	28.1	60.7	57.3	71.6
All	154,718.0	100.0	74,322.0	17,718.0	56,604	23.8	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,472.0	10.0	334,549.0	99,145.0	235,403	29.6	45.0	41.6	56.0
Top 5 Percent	7,734.0	5.0	502,540.0	155,176.0	347,364	30.9	33.8	30.7	43.8
Top 1 Percent	1,547.0	1.0	1,384,540.0	463,781.0	920,759	33.5	18.6	16.3	26.2
Top 0.5 Percent	774.0	0.5	2,181,481.0	752,564.0	1,428,917	34.5	14.7	12.6	21.2
Top 0.1 Percent	155.0	0.1	6,319,084.0	2,297,187.0	4,021,896	36.4	8.5	7.1	13.0

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 extension of the 10 percent tax bracket and indexation of the bracket for inflation.

(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) For the income levels at each quintile and the top income percentiles used in this table, see <http://www.taxpolicycenter.org/TaxModel/percentiles.cfm>

(4) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(5) 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.

(6) 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.