

**Table T07-0030. AMT Tax Rate and AMT Liability for Sample Families
Affected by the AMT for Tax Year 2006**

AGI	Single					Married Filing Joint				
# of kids	0	1	2	3	6	0	1	2	3	6
AMT Tax Rate (in Percent)										
\$75,000					26					
\$100,000					26					
\$125,000				26	26					26
\$150,000		26	26	26	26					26
\$200,000	26	26	26	26	26			26	26	26
\$500,000	28	28	28	28	28	28	28	28	28	28
\$1,000,000						28	28	28	28	28
AMT Liability (including direct liability, lost credits, and reduced deductions)										
\$75,000					935					
\$100,000					2,314					
\$125,000				559	3,034					888
\$150,000		836	1,661	2,486	4,961					1,607
\$200,000	576	3,778	4,640	5,502	8,090			872	1,796	4,384
\$500,000	3,950	7,309	7,672	8,035	9,124	10,923	11,286	11,649	12,012	13,100
\$1,000,000						713	1,098	1,483	1,868	3,022

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

Notes: Households on the AMT are indicated by a dark background. Number of filers excludes dependent returns. Kids includes only children in the home for whom an exemption may be claimed.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim any other tax credits (such as the dependent care credit, adoption credit, or education tax credits).
- (3) Itemized deductions are assumed to be 21 percent of adjusted gross income (AGI), which was the average ratio for itemizers in 2004. For purposes of calculating the AMT, tax preference items are assumed to be 40% of itemized deductions.
- (4) The fraction of AGI composed of capital gains and dividends at each AGI level is based on current law tabulations from the TPC tax model. AGI under \$50,000 is assumed to be wages only. The fractions are as follows (the first percentage is for capital gains and the second is for dividends): \$50,000: 0.8% and 1.0%; \$75,000: 1.1% and 1.0%; \$100,000: 1.7% and 1.1%; \$125,000: 2.7% and 1.4%; \$150,000: 3.5% and 1.6%; \$200,000: 5.4% and 2.1%; \$500,000: 13.8% and 2.1%; \$1,000,000: 17.6% and 3.0%; \$1,500,000: 22.6% and 3.6%; \$2,000,000: 23.6% and 3.6%. All capital gains are assumed to be long-term gains and all dividends qualifying dividends.