

Table T07-0075
Extend Certain Provisions in 2001-6 Tax Cuts, Repeal Alternative Minimum Tax (AMT), and Extend 2009 Estate Tax Law
Distribution of Federal Tax Change by Cash Income Class, 2011¹

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	3.9	0.0	0.1	0.0	-6	-2.1	0.0	0.2	-0.1	4.4
10-20	44.1	2.2	1.0	1.7	-151	-17.3	-0.1	0.7	-0.9	4.4
20-30	74.2	0.9	2.0	4.7	-481	-15.4	-0.2	2.1	-1.7	9.5
30-40	84.0	0.5	2.1	4.9	-681	-11.4	-0.1	3.2	-1.8	13.7
40-50	89.9	0.3	1.9	4.5	-755	-8.3	0.0	4.1	-1.5	16.7
50-75	97.0	0.1	2.2	11.8	-1,167	-8.2	-0.1	11.0	-1.7	19.1
75-100	98.8	0.2	2.8	13.5	-2,098	-9.6	-0.2	10.6	-2.2	20.5
100-200	99.2	0.1	3.6	34.8	-4,001	-10.4	-0.8	24.9	-2.7	22.9
200-500	98.7	0.5	2.8	16.2	-6,474	-7.3	0.1	17.2	-2.0	26.1
500-1,000	98.8	0.3	1.7	3.5	-9,069	-4.0	0.3	7.1	-1.2	28.8
More than 1,000	99.1	0.3	1.0	4.3	-21,432	-1.9	1.1	18.7	-0.7	34.5
All	73.6	0.6	2.4	100.0	-1,421	-7.7	0.0	100.0	-1.9	22.2

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

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- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	16,811	10.7	6,086	275	5,811	4.5	0.9	1.1	0.2
10-20	25,284	16.2	16,631	876	15,755	5.3	3.5	4.4	0.8
20-30	21,596	13.8	27,636	3,118	24,518	11.3	5.0	5.8	2.3
30-40	16,032	10.2	38,799	6,001	32,797	15.5	5.2	5.7	3.3
40-50	13,218	8.5	49,940	9,109	40,831	18.2	5.5	5.9	4.2
50-75	22,444	14.3	68,652	14,280	54,372	20.8	12.8	13.3	11.1
75-100	14,300	9.1	96,522	21,851	74,671	22.6	11.5	11.7	10.8
100-200	19,360	12.4	150,400	38,393	112,007	25.5	24.2	23.7	25.7
200-500	5,551	3.6	317,079	89,288	227,791	28.2	14.6	13.8	17.1
500-1,000	865	0.6	755,020	226,808	528,212	30.0	5.4	5.0	6.8
More than 1,000	443	0.3	3,272,093	1,148,541	2,123,552	35.1	12.0	10.3	17.6
All	156,502	100.0	77,021	18,484	58,537	24.0	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. Includes the following provisions: (1) maintain 10-percent bracket; (2) retain 25-percent bracket (don't revert to 28%); (3) maintain maximum child tax credit (CTC) at \$1,000 per child and retain partial refundability; (4) continue current parameters for child and dependent care credit (35% maximum credit, \$3,000 maximum qualified expenses per child, indexed from 2005, and 20% minimum credit); (5) maintain current marriage penalty relief (married filing jointly standard deduction and width of 15% bracket both twice levels for single filers; extended plateau for earned income tax credit [EITC] on joint returns); (6) allow both EITC and CTC as credits against AMT; (7) use AGI in place of modified AGI for EITC phase-out; and (8) repeal the individual AMT. Estate tax provisions include: \$3.5 million effective exemption; statutory rate of 45 percent; replace the state death tax credit with a deduction for state estate taxes paid; and 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 but excludes those that are dependents of other tax units.

(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.