

Table T07-0076
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 Percentile, 2011¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	17.1	1.4	0.4	0.5	-34	-8.6	0.0	0.4	-0.4	3.7
Second Quintile	67.8	1.0	1.8	5.5	-389	-16.4	-0.2	2.3	-1.6	8.1
Middle Quintile	86.4	0.4	2.0	10.0	-712	-9.8	-0.2	7.7	-1.6	15.2
Fourth Quintile	97.5	0.1	2.3	19.3	-1,369	-8.5	-0.2	17.3	-1.8	19.5
Top Quintile	99.1	0.2	2.7	64.6	-4,593	-7.0	0.6	72.1	-2.0	26.3
All	73.6	0.6	2.4	100.0	-1,421	-7.7	0.0	100.0	-1.9	22.2
Addendum										
Top 10 Percent	99.1	0.3	2.5	42.5	-6,042	-5.9	1.1	56.8	-1.7	28.0
Top 5 Percent	98.8	0.4	2.1	26.4	-7,506	-4.7	1.4	44.9	-1.4	29.4
Top 1 Percent	98.9	0.4	1.3	8.7	-12,378	-2.6	1.4	27.2	-0.9	32.4
Top 0.5 Percent	98.8	0.3	1.1	5.8	-16,458	-2.1	1.3	22.1	-0.7	33.6
Top 0.1 Percent	99.0	0.2	0.9	2.5	-35,319	-1.5	0.9	13.6	-0.5	35.6

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	30,704	19.6	9,721	392	9,329	4.0	2.5	3.1	0.4	
Second Quintile	31,300	20.0	24,460	2,379	22,081	9.7	6.4	7.5	2.6	
Middle Quintile	31,297	20.0	43,383	7,286	36,097	16.8	11.3	12.3	7.9	
Fourth Quintile	31,305	20.0	75,537	16,125	59,412	21.4	19.6	20.3	17.5	
Top Quintile	31,299	20.0	233,599	66,089	167,510	28.3	60.7	57.2	71.5	
All	156,502	100.0	77,021	18,484	58,537	24.0	100.0	100.0	100.0	
Addendum										
Top 10 Percent	15,650	10.0	346,579	102,954	243,626	29.7	45.0	41.6	55.7	
Top 5 Percent	7,825	5.0	520,288	160,629	359,659	30.9	33.8	30.7	43.5	
Top 1 Percent	1,565	1.0	1,430,531	475,852	954,679	33.3	18.6	16.3	25.7	
Top 0.5 Percent	783	0.5	2,252,206	772,097	1,480,108	34.3	14.6	12.6	20.9	
Top 0.1 Percent	157	0.1	6,508,651	2,354,047	4,154,604	36.2	8.5	7.1	12.7	

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; extend 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) 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 but excludes those that are dependents of other tax units.

(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.