

Table T07-0079
Combined Effect of 2001-2006 Tax Cuts with Extension of 2006 AMT Exemption, Indexed for Inflation After 2006
Baseline is pre-EGTRRA Law with Extension of 2000 AMT Exemption, Indexed for Inflation After 2000
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	3.8	0.1	0.1	0.0	-5	-2.0	0.0	0.2	-0.1	4.3
10-20	45.8	0.5	1.2	1.4	-177	-20.0	-0.1	0.7	-1.1	4.3
20-30	75.9	0.3	2.3	3.8	-557	-17.9	-0.2	2.2	-2.1	9.5
30-40	85.1	0.1	2.5	4.0	-783	-13.2	-0.1	3.4	-2.1	13.6
40-50	91.0	0.1	2.2	3.6	-871	-9.8	0.1	4.3	-1.8	16.5
50-75	97.6	0.0	2.3	8.8	-1,244	-9.0	0.3	11.5	-1.9	18.8
75-100	99.1	0.0	2.8	9.1	-2,023	-9.6	0.2	11.0	-2.1	20.1
100-200	99.5	0.0	3.7	24.3	-4,070	-11.0	0.1	25.6	-2.8	22.5
200-500	99.5	0.0	4.1	15.5	-9,194	-10.5	0.2	17.0	-3.0	25.1
500-1,000	99.2	0.0	5.6	7.7	-29,040	-13.0	-0.1	6.7	-3.9	26.4
More than 1,000	99.6	0.0	7.6	21.6	-157,573	-13.9	-0.5	17.3	-4.9	30.4
All	74.0	0.2	3.6	100.0	-2,031	-11.5	0.0	100.0	-2.7	21.1

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					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	13,846	53,308	20.6	13.0	13.5	11.2
75-100	14,059	9.1	94,376	21,012	73,364	22.3	11.5	11.8	10.8
100-200	18,782	12.1	147,048	37,165	109,883	25.3	24.0	23.6	25.4
200-500	5,289	3.4	310,634	87,245	223,389	28.1	14.3	13.5	16.8
500-1,000	831	0.5	738,482	223,810	514,672	30.3	5.3	4.9	6.8
More than 1,000	431	0.3	3,204,623	1,131,603	2,073,020	35.3	12.0	10.2	17.8
All	154,718	100.0	74,322	17,734	56,588	23.9	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 2.4 Proposal: 5.2

(1) Calendar year. The 2001-2006 tax cuts include provisions affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions (including the saver's credit); expansion of student loan interest deduction (excludes other education provisions); and estate tax exemption, rates, and state death tax credit. Both the baseline and the proposal also include extension of the allowance of personal non-refundable credits regardless of tentative AMT.

(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.