

**Table T07-0084**  
**Combined Effect of 2001-2006 Tax Cuts Made Permanent 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 Percentile, 2017<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	23.2	0.4	0.7	0.6	-79	-14.2	0.0	0.5	-0.6	3.8
Second Quintile	68.2	0.2	2.0	4.2	-546	-17.3	-0.2	2.5	-1.8	8.5
Middle Quintile	84.9	0.1	2.1	7.0	-908	-10.0	0.1	7.9	-1.7	15.3
Fourth Quintile	96.5	0.0	2.4	13.3	-1,724	-8.5	0.5	18.0	-1.9	19.9
Top Quintile	99.6	0.0	4.7	74.6	-9,660	-11.7	-0.4	71.0	-3.3	25.2
All	74.4	0.1	3.6	100.0	-2,590	-11.2	0.0	100.0	-2.7	21.6
<b>Addendum</b>										
Top 10 Percent	99.7	0.0	5.1	59.2	-15,326	-12.0	-0.5	54.8	-3.6	26.3
Top 5 Percent	99.6	0.0	5.5	46.8	-24,266	-12.2	-0.5	42.4	-3.8	27.1
Top 1 Percent	99.5	0.0	6.8	31.0	-80,333	-13.9	-0.8	24.2	-4.6	28.2
Top 0.5 Percent	99.5	0.0	7.2	25.6	-132,625	-14.3	-0.7	19.4	-4.8	28.8
Top 0.1 Percent	99.8	0.0	7.7	15.0	-389,725	-14.0	-0.4	11.6	-5.0	30.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2017<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	32,906	19.7	12,488	555	11,933	4.5	2.6	3.2	0.5
Second Quintile	33,495	20.0	30,722	3,155	27,567	10.3	6.4	7.6	2.7
Middle Quintile	33,494	20.0	53,357	9,043	44,315	17.0	11.2	12.3	7.8
Fourth Quintile	33,495	20.0	93,061	20,200	72,861	21.7	19.5	20.2	17.4
Top Quintile	33,496	20.0	289,501	82,700	206,801	28.6	60.7	57.2	71.4
All	167,480	100.0	95,452	23,164	72,287	24.3	100.0	100.0	100.0
<b>Addendum</b>									
Top 10 Percent	16,747	10.0	429,126	128,128	300,997	29.9	45.0	41.6	55.3
Top 5 Percent	8,375	5.0	643,213	198,830	444,383	30.9	33.7	30.7	42.9
Top 1 Percent	1,675	1.0	1,762,224	577,803	1,184,421	32.8	18.5	16.4	24.9
Top 0.5 Percent	838	0.5	2,761,711	928,696	1,833,016	33.6	14.5	12.7	20.1
Top 0.1 Percent	167	0.1	7,849,252	2,783,099	5,066,153	35.5	8.2	7.0	12.0

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

Number of AMT Taxpayers (millions). Baseline: 4.2 Proposal: 8.7

(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) 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.