

Table T07-0105
One Percentage Point Individual Income Tax Surcharge
Elderly Tax Units Only
Distribution of Federal Tax Change by Cash Income Class, 2007¹

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 (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.1
10-20	0.0	7.5	0.0	0.4	4	1.0	0.0	1.1	0.0	2.8
20-30	0.0	27.4	-0.1	1.2	20	1.8	0.0	1.7	0.1	4.6
30-40	0.1	35.6	-0.1	1.3	40	2.2	0.0	1.5	0.1	5.2
40-50	0.2	63.7	-0.3	3.0	117	3.1	0.0	2.5	0.3	8.5
50-75	0.2	91.9	-0.5	13.6	282	3.6	0.1	9.7	0.5	12.8
75-100	0.1	97.2	-0.6	12.7	467	3.4	0.1	9.7	0.5	16.3
100-200	0.0	98.5	-0.7	21.1	765	2.8	0.0	19.6	0.6	20.8
200-500	0.0	98.7	-0.8	17.6	1,834	2.3	0.0	19.3	0.6	27.0
500-1,000	0.0	99.7	-0.9	8.1	4,498	2.3	0.0	9.0	0.7	28.7
More than 1,000	0.0	99.7	-1.0	21.0	20,398	2.1	-0.1	25.5	0.7	33.2
All	0.1	42.7	-0.6	100.0	264	2.6	0.0	100.0	0.5	18.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2007¹

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	3,696	12.1	6,811	213	6,598	3.1	1.4	1.7	0.3
10-20	8,155	26.7	15,029	417	14,612	2.8	6.9	8.2	1.1
20-30	4,754	15.5	25,010	1,118	23,893	4.5	6.7	7.8	1.7
30-40	2,561	8.4	35,387	1,812	33,575	5.1	5.1	5.9	1.5
40-50	2,086	6.8	45,608	3,748	41,860	8.2	5.4	6.0	2.5
50-75	3,894	12.7	63,032	7,781	55,251	12.3	13.8	14.8	9.6
75-100	2,202	7.2	87,723	13,843	73,880	15.8	10.9	11.2	9.7
100-200	2,226	7.3	136,729	27,659	109,070	20.2	17.2	16.7	19.6
200-500	774	2.5	298,604	78,791	219,813	26.4	13.0	11.7	19.4
500-1,000	145	0.5	694,221	194,874	499,347	28.1	5.7	5.0	9.0
More than 1,000	83	0.3	2,978,736	969,025	2,009,711	32.5	14.0	11.5	25.6
All	30,601	100.0	57,946	10,284	47,662	17.8	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 2.5 Proposal: 2.3

(1) Calendar year. Baseline is current law. Proposal would increase individual income tax rates from 10, 15, 25, 28, 33, and 35 percent to 11, 16, 26, 29, 34, and 36 percent. Alternative minimum tax rates would increase from 26 and 28 percent to 27 and 29 percent. Rates on long-term capital gains and qualifying dividends would increase from 15 to 16 percent (from 5 percent to 6 percent for lower-income taxpayers).

(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.