

**Table T07-0106**  
**One Percentage Point Individual Income Tax Surcharge**  
**Elderly Tax Units Only**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2007<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	0.0	0.9	0.0	0.0	0	0.1	0.0	0.6	0.0	2.6
Second Quintile	0.0	18.1	-0.1	1.2	12	1.6	0.0	1.9	0.1	3.8
Middle Quintile	0.1	41.7	-0.2	3.6	55	2.5	0.0	3.7	0.2	6.2
Fourth Quintile	0.2	92.1	-0.5	19.9	299	3.6	0.1	14.3	0.5	13.3
Top Quintile	0.1	98.1	-0.8	75.3	1,362	2.4	-0.1	79.3	0.6	25.6
All	0.1	42.7	-0.6	100.0	264	2.6	0.0	100.0	0.5	18.2
<b>Addendum</b>										
Top 10 Percent	0.0	99.1	-0.9	60.1	2,172	2.3	-0.2	66.9	0.6	28.0
Top 5 Percent	0.0	99.0	-0.9	50.3	3,194	2.2	-0.2	57.4	0.6	29.4
Top 1 Percent	0.0	99.7	-1.0	31.8	8,670	2.2	-0.1	37.3	0.7	31.7
Top 0.5 Percent	0.0	99.7	-1.0	25.5	13,626	2.1	-0.1	30.5	0.7	32.4
Top 0.1 Percent	0.0	99.7	-1.0	15.0	39,755	2.1	-0.1	18.6	0.7	34.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2007<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	7,258	23.7	9,484	245	9,238	2.6	3.9	4.6	0.6	
Second Quintile	8,230	26.9	20,079	749	19,329	3.7	9.3	10.9	2.0	
Middle Quintile	5,264	17.2	36,757	2,217	34,540	6.0	10.9	12.5	3.7	
Fourth Quintile	5,362	17.5	65,018	8,317	56,702	12.8	19.7	20.9	14.2	
Top Quintile	4,464	14.6	223,756	55,994	167,762	25.0	56.3	51.3	79.4	
All	30,601	100.0	57,946	10,284	47,662	17.8	100.0	100.0	100.0	
<b>Addendum</b>										
Top 10 Percent	2,235	7.3	345,322	94,420	250,901	27.3	43.5	38.4	67.1	
Top 5 Percent	1,271	4.2	496,273	142,704	353,569	28.8	35.6	30.8	57.6	
Top 1 Percent	296	1.0	1,285,551	398,619	886,932	31.0	21.5	18.0	37.5	
Top 0.5 Percent	151	0.5	2,008,022	637,555	1,370,467	31.8	17.1	14.2	30.6	
Top 0.1 Percent	30	0.1	5,765,673	1,928,770	3,836,903	33.5	9.9	8.0	18.7	

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) 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.