

**Table T07-0119**  
**Twenty Percent Flat Tax Option**  
**Distribution of Federal Tax Change by Cash Income Class, 2007<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	-0.1	0.0	0.2	0.0	4.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	4.3
20-30	0.0	0.0	0.0	0.1	-2	-0.1	0.1	2.4	0.0	9.6
30-40	0.0	0.0	0.0	0.0	0	0.0	0.2	3.7	0.0	13.9
40-50	0.0	0.0	0.0	0.0	-1	0.0	0.2	4.5	0.0	16.5
50-75	0.1	0.0	0.0	0.1	-3	0.0	0.6	12.1	0.0	18.6
75-100	0.2	0.0	0.0	0.1	-5	0.0	0.5	11.5	0.0	20.3
100-200	3.3	0.1	0.1	1.4	-82	-0.3	1.1	26.1	-0.1	23.3
200-500	45.9	0.2	2.1	20.6	-4,572	-5.9	-0.2	16.1	-1.6	25.0
500-1,000	69.7	0.1	5.1	19.4	-25,516	-13.5	-0.6	6.1	-3.7	23.7
More than 1,000	68.5	0.1	6.9	58.4	-146,390	-14.7	-1.9	16.4	-4.7	27.3
All	2.3	0.0	1.3	100.0	-666	-4.6	0.0	100.0	-1.0	20.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Class, 2007<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	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	18,608	12.5	5,699	231	5,468	4.1	1.1	1.3	0.2
10-20	25,761	17.3	15,189	656	14,533	4.3	3.9	4.8	0.8
20-30	20,224	13.5	25,240	2,424	22,817	9.6	5.1	5.9	2.3
30-40	15,244	10.2	35,555	4,944	30,611	13.9	5.5	6.0	3.5
40-50	12,157	8.1	45,638	7,515	38,123	16.5	5.6	6.0	4.3
50-75	21,294	14.3	62,764	11,676	51,088	18.6	13.5	14.0	11.6
75-100	13,139	8.8	88,142	17,919	70,223	20.3	11.7	11.9	11.0
100-200	16,685	11.2	137,212	32,072	105,140	23.4	23.1	22.6	24.9
200-500	4,475	3.0	293,234	78,006	215,228	26.6	13.2	12.4	16.3
500-1,000	756	0.5	692,259	189,661	502,598	27.4	5.3	4.9	6.7
More than 1,000	396	0.3	3,113,319	994,659	2,118,660	32.0	12.4	10.8	18.4
All	149,332	100.0	66,439	14,376	52,064	21.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 23.5 Proposal: 20.9

(1) Calendar year. Baseline is current law. The alternate simulation assumes that taxpayers choose between paying income taxes as they exist under current law (including the AMT) or an income tax equal to twenty percent of their adjusted gross income.

(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.