

Table T07-0123
Extend the AMT Patch Without Adjusting the Exemption for Inflation
Distribution of Federal Tax Change by Cash Income Percentile, 2007¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.4	0.0	3.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.1	0.0	7.3
Middle Quintile	1.0	0.0	0.0	0.3	-4	-0.1	0.1	7.6	0.0	14.4
Fourth Quintile	11.9	0.0	0.2	6.1	-87	-0.7	0.2	17.2	-0.1	18.7
Top Quintile	63.5	0.3	0.9	93.5	-1,323	-2.5	-0.4	72.6	-0.7	25.2
All	15.3	0.1	0.5	100.0	-283	-2.0	0.0	100.0	-0.4	21.3
Addendum										
Top 10 Percent	75.1	0.5	0.9	69.0	-1,951	-2.4	-0.2	57.3	-0.6	26.7
Top 5 Percent	74.6	0.6	0.7	42.9	-2,429	-1.9	0.1	45.4	-0.5	28.0
Top 1 Percent	22.5	0.8	0.1	1.9	-526	-0.1	0.5	27.6	0.0	30.4
Top 0.5 Percent	7.9	0.5	0.0	0.3	-178	0.0	0.4	22.5	0.0	31.2
Top 0.1 Percent	2.3	1.0	0.0	0.0	-51	0.0	0.3	14.0	0.0	32.8

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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								
Lowest Quintile	29,273	19.6	8,074	277	7,796	3.4	2.4	2.9	0.4	
Second Quintile	29,866	20.0	20,521	1,492	19,029	7.3	6.2	7.3	2.1	
Middle Quintile	29,865	20.0	37,071	5,339	31,732	14.4	11.2	12.2	7.4	
Fourth Quintile	29,866	20.0	64,859	12,214	52,645	18.8	19.5	20.2	17.0	
Top Quintile	29,866	20.0	203,046	52,560	150,486	25.9	61.1	57.8	73.0	
All	149,332	100.0	66,439	14,402	52,037	21.7	100.0	100.0	100.0	
Addendum										
Top 10 Percent	14,933	10.0	302,839	82,888	219,952	27.4	45.6	42.3	57.6	
Top 5 Percent	7,465	5.0	458,039	130,653	327,386	28.5	34.5	31.5	45.4	
Top 1 Percent	1,493	1.0	1,284,199	390,362	893,837	30.4	19.3	17.2	27.1	
Top 0.5 Percent	747	0.5	2,037,114	635,582	1,401,532	31.2	15.3	13.5	22.1	
Top 0.1 Percent	149	0.1	6,011,426	1,970,216	4,041,210	32.8	9.1	7.8	13.7	

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

Number of AMT Taxpayers (millions). Baseline: 23.4 Proposal: 4.3

(1) Calendar year. Baseline is current law. Proposal allows personal nonrefundable credits against the AMT and extends the 2006 AMT exemption. The 2006 exemption was \$62,550 for joint returns, \$42,500 for single and head of household returns, and \$31,275 for married individuals filing separate returns.

(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.