

Table T07-0135
Repeal AMT and Implement 4% Surtax on AGI Above \$100,000/\$200,000
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	1.0	-2	-0.1	0.0	2.1	0.0	7.3
Middle Quintile	1.0	0.0	0.0	2.9	-5	-0.1	0.0	7.4	0.0	14.4
Fourth Quintile	11.9	0.0	0.2	56.9	-90	-0.7	-0.1	16.9	-0.1	18.7
Top Quintile	61.0	11.3	0.0	38.3	-61	-0.1	0.1	73.1	0.0	25.9
All	14.8	2.3	0.1	100.0	-32	-0.2	0.0	100.0	-0.1	21.7
Addendum										
Top 10 Percent	70.0	19.4	-0.3	-185.3	589	0.7	0.5	58.1	0.2	27.6
Top 5 Percent	66.7	27.1	-0.8	-407.7	2,594	2.0	1.0	46.4	0.6	29.2
Top 1 Percent	23.0	73.4	-2.8	-780.4	24,823	6.3	1.8	29.0	1.9	32.4
Top 0.5 Percent	13.1	83.7	-3.4	-741.7	47,186	7.4	1.7	23.8	2.3	33.6
Top 0.1 Percent	7.9	91.1	-4.0	-502.5	159,832	8.1	1.1	14.9	2.7	35.6

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	278	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	5,340	31,731	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	52,628	150,419	25.9	61.1	57.8	73.0
All	149,332	100.0	66,439	14,416	52,023	21.7	100.0	100.0	100.0
Addendum									
Top 10 Percent	14,933	10.0	302,839	83,024	219,815	27.4	45.6	42.3	57.6
Top 5 Percent	7,465	5.0	458,039	130,927	327,111	28.6	34.5	31.4	45.4
Top 1 Percent	1,493	1.0	1,284,199	391,660	892,538	30.5	19.3	17.2	27.2
Top 0.5 Percent	747	0.5	2,037,114	637,892	1,399,222	31.3	15.3	13.5	22.1
Top 0.1 Percent	149	0.1	6,011,426	1,977,780	4,033,647	32.9	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: 0.0

(1) Calendar year. Baseline is current law. Proposal repeals the individual alternative minimum tax and implements a 4 percent surtax on adjusted gross incomes above \$200,000 for joint tax units and \$100,000 for other filing statuses.

(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.