

Table T07-0146
2001-2006 Tax Cuts Plus Repeal AMT and Implement 4% Surtax on AGI Above \$100,000/\$200,000
Distribution of Federal Tax Change by Cash Income Percentile Against Pre-EGTRRA Baseline, 2010¹

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	17.0	0.3	0.4	0.4	-37	-9.9	0.0	0.4	-0.4	3.6
Second Quintile	68.4	0.3	2.1	4.5	-439	-19.2	-0.2	2.3	-1.9	7.9
Middle Quintile	87.3	0.1	2.4	8.5	-832	-11.8	-0.1	7.8	-2.0	14.8
Fourth Quintile	98.0	0.0	2.7	15.7	-1,547	-10.0	0.2	17.5	-2.1	19.1
Top Quintile	99.4	0.2	4.3	70.7	-6,949	-10.9	0.1	71.8	-3.1	25.3
All	74.0	0.2	3.5	100.0	-1,967	-11.0	0.0	100.0	-2.7	21.4
Addendum										
Top 10 Percent	99.4	0.3	4.5	53.3	-10,483	-10.5	0.3	56.3	-3.1	26.8
Top 5 Percent	99.3	0.5	4.6	40.6	-15,984	-10.2	0.4	44.1	-3.2	28.0
Top 1 Percent	98.8	0.9	4.3	20.2	-39,760	-8.6	0.7	26.7	-2.9	30.7
Top 0.5 Percent	98.5	1.1	4.2	15.3	-60,037	-8.0	0.7	21.8	-2.8	31.9
Top 0.1 Percent	98.2	1.7	4.0	8.2	-162,027	-7.0	0.6	13.5	-2.6	33.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

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	30,349	19.6	9,317	375	8,941	4.0	2.5	3.1	0.4
Second Quintile	30,951	20.0	23,511	2,290	21,221	9.7	6.3	7.5	2.6
Middle Quintile	30,935	20.0	41,886	7,038	34,848	16.8	11.3	12.4	7.9
Fourth Quintile	30,943	20.0	72,976	15,511	57,464	21.3	19.6	20.4	17.3
Top Quintile	30,945	20.0	225,458	64,068	161,390	28.4	60.7	57.2	71.7
All	154,718	100.0	74,322	17,886	56,437	24.1	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,472	10.0	334,549	100,028	234,521	29.9	45.0	41.6	55.9
Top 5 Percent	7,734	5.0	502,540	156,463	346,077	31.1	33.8	30.7	43.7
Top 1 Percent	1,547	1.0	1,384,540	465,166	919,374	33.6	18.6	16.3	26.0
Top 0.5 Percent	774	0.5	2,181,481	754,751	1,426,729	34.6	14.7	12.6	21.1
Top 0.1 Percent	155	0.1	6,319,084	2,303,952	4,015,131	36.5	8.5	7.1	12.9

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

Number of AMT Taxpayers (millions). Baseline: 16.5 Proposal: 0.0

(1) Calendar year. Baseline is pre-EGTRRA 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. Values are presented in 2007 dollars and indexed for inflation.

(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.