

**Table T07-0165**  
**Repeal State and Local Tax Deduction**  
**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	0.0	0.0	0.2	0.0	4.1
10-20	0.0	1.3	0.0	0.1	2	0.3	0.0	0.8	0.0	4.4
20-30	0.1	5.4	-0.1	0.5	12	0.5	0.0	2.3	0.1	9.7
30-40	0.1	12.6	-0.1	1.1	34	0.7	-0.1	3.5	0.1	14.0
40-50	0.2	23.2	-0.2	2.2	87	1.2	0.0	4.2	0.2	16.7
50-75	0.2	38.9	-0.5	10.5	234	2.0	0.0	11.6	0.4	19.0
75-100	1.8	60.6	-0.7	13.4	484	2.7	0.1	11.0	0.6	20.9
100-200	3.5	65.1	-0.7	24.6	696	2.2	0.0	24.9	0.5	23.9
200-500	0.7	39.5	-0.4	7.1	750	1.0	-0.2	16.1	0.3	26.9
500-1,000	0.4	73.9	-1.5	11.8	7,391	3.9	0.1	6.8	1.1	28.5
More than 1,000	0.4	77.9	-1.6	28.7	34,224	3.4	0.2	18.6	1.1	33.1
All	0.6	24.1	-0.6	100.0	317	2.2	0.0	100.0	0.5	22.2

**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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	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	660	14,529	4.4	3.9	4.8	0.8
20-30	20,224	13.5	25,240	2,429	22,812	9.6	5.1	5.9	2.3
30-40	15,244	10.2	35,555	4,952	30,603	13.9	5.5	6.0	3.5
40-50	12,157	8.1	45,638	7,529	38,109	16.5	5.6	6.0	4.3
50-75	21,294	14.3	62,764	11,703	51,062	18.7	13.5	14.0	11.6
75-100	13,139	8.8	88,142	17,963	70,179	20.4	11.7	11.9	11.0
100-200	16,685	11.2	137,212	32,136	105,076	23.4	23.1	22.6	24.9
200-500	4,475	3.0	293,234	78,133	215,101	26.7	13.2	12.4	16.3
500-1,000	756	0.5	692,259	189,965	502,294	27.4	5.3	4.9	6.7
More than 1,000	396	0.3	3,113,319	995,145	2,118,173	32.0	12.4	10.8	18.3
All	149,332	100.0	66,439	14,401	52,039	21.7	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 23.4 Proposal: 19.3

(1) Calendar year. Baseline is current law. Proposal repeals the state and local tax deduction but retains taxation of state tax refunds deducted in 2006.

(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.