

Table T07-0167
Repeal State and Local Tax Deduction
Distribution of Federal Tax Change by Cash Income Class for Joint Tax Units, 2007¹

Cash Income Class (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	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	0.0	0.0	5.7
10-20	0.0	0.1	0.0	0.0	0	0.1	0.0	0.1	0.0	1.6
20-30	0.0	3.4	0.0	0.1	5	0.5	0.0	0.4	0.0	4.2
30-40	0.1	7.8	-0.1	0.2	16	0.6	0.0	0.9	0.1	7.7
40-50	0.2	17.8	-0.1	0.6	48	0.9	0.0	1.5	0.1	11.9
50-75	0.2	35.2	-0.3	5.2	156	1.6	-0.1	7.3	0.2	16.0
75-100	2.4	60.7	-0.6	11.7	408	2.4	0.0	10.7	0.5	19.4
100-200	4.3	64.1	-0.6	25.0	600	1.9	-0.1	29.1	0.4	23.3
200-500	0.7	35.3	-0.3	6.9	595	0.8	-0.3	19.5	0.2	26.6
500-1,000	0.4	74.7	-1.5	14.6	7,480	4.0	0.1	8.2	1.1	28.1
More than 1,000	0.4	79.1	-1.7	35.7	35,002	3.6	0.3	22.2	1.1	32.5
All	1.4	35.5	-0.6	100.0	537	2.2	0.0	100.0	0.5	23.1

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

Cash Income Class (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	2,549	4.2	4,458	256	4,203	5.7	0.2	0.2	0.0
10-20	4,732	7.8	15,746	255	15,491	1.6	1.1	1.5	0.1
20-30	5,775	9.5	25,389	1,056	24,332	4.2	2.3	2.8	0.4
30-40	4,782	7.9	35,589	2,735	32,854	7.7	2.6	3.1	0.9
40-50	4,151	6.9	45,862	5,413	40,449	11.8	2.9	3.3	1.5
50-75	10,803	17.8	63,800	10,025	53,775	15.7	10.6	11.5	7.4
75-100	9,308	15.4	88,534	16,782	71,753	19.0	12.7	13.2	10.6
100-200	13,531	22.3	138,102	31,635	106,467	22.9	28.7	28.6	29.1
200-500	3,764	6.2	292,539	77,200	215,339	26.4	16.9	16.1	19.8
500-1,000	637	1.1	690,232	186,154	504,078	27.0	6.8	6.4	8.1
More than 1,000	332	0.6	3,083,140	967,800	2,115,340	31.4	15.7	13.9	21.9
All	60,598	100.0	107,494	24,242	83,252	22.6	100.0	100.0	100.0

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

Number of married AMT Taxpayers (millions). Baseline: 19.2 Proposal: 16.2

(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. Joint tax units include all tax units filing a joint return and non-filing units who would file a joint return if they filed.

(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.