

Table T07-0169
Repeal State and Local Tax Deduction
Distribution of Federal Tax Change by Cash Income Class for Single 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	1.0	0.0	6.9
10-20	0.0	2.1	0.0	0.4	3	0.2	-0.1	3.8	0.0	8.9
20-30	0.1	7.5	-0.1	1.4	18	0.4	-0.1	6.9	0.1	16.1
30-40	0.0	15.2	-0.2	2.6	46	0.7	-0.1	8.6	0.1	19.4
40-50	0.1	26.4	-0.3	5.3	113	1.2	-0.1	9.5	0.3	20.5
50-75	0.1	41.1	-0.7	21.0	340	2.4	0.0	19.6	0.6	23.4
75-100	0.2	60.5	-1.1	16.9	736	3.4	0.1	11.1	0.8	25.4
100-200	0.1	74.0	-1.3	26.8	1,309	3.8	0.2	16.2	1.0	27.0
200-500	0.2	68.0	-0.8	8.2	1,720	2.0	0.0	9.0	0.6	29.1
500-1,000	0.5	69.8	-1.4	5.4	6,723	3.1	0.0	3.9	1.0	31.6
More than 1,000	0.3	71.6	-1.5	12.1	29,133	2.6	0.0	10.3	0.9	36.5
All	0.1	16.4	-0.6	100.0	186	2.2	0.0	100.0	0.5	22.4

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	13,267	20.8	5,774	398	5,376	6.9	3.1	3.8	1.0
10-20	15,579	24.4	14,959	1,330	13,629	8.9	9.6	11.2	3.9
20-30	9,264	14.5	25,094	4,015	21,079	16.0	9.5	10.3	7.0
30-40	6,751	10.6	35,590	6,850	28,740	19.3	9.9	10.2	8.7
40-50	5,553	8.7	45,558	9,201	36,356	20.2	10.4	10.6	9.6
50-75	7,362	11.5	61,780	14,122	47,658	22.9	18.7	18.4	19.5
75-100	2,727	4.3	87,411	21,496	65,915	24.6	9.8	9.5	11.0
100-200	2,433	3.8	134,139	34,948	99,191	26.1	13.4	12.7	16.0
200-500	568	0.9	295,960	84,319	211,641	28.5	6.9	6.3	9.0
500-1,000	96	0.2	703,645	215,311	488,333	30.6	2.8	2.5	3.9
More than 1,000	49	0.1	3,120,966	1,110,614	2,010,352	35.6	6.3	5.2	10.3
All	63,946	100.0	38,093	8,327	29,766	21.9	100.0	100.0	100.0

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

Number of single AMT Taxpayers (millions). Baseline: 1.2 Proposal: 0.5

(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. Single tax units include all tax units filing a single return and non-filing units who would file a single return if they filed. Tax units eligible for head of household status are not included.

(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.