

Table T07-0188
Repeal State and Local Tax Deduction
Distribution of Federal Tax Change by Cash Income Class, 2011¹

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	0.2	0.0	4.5
10-20	0.0	0.9	0.0	0.1	2	0.3	0.0	0.7	0.0	5.3
20-30	0.1	4.7	-0.1	0.3	16	0.5	-0.1	2.3	0.1	11.3
30-40	0.1	11.3	-0.1	0.7	42	0.7	-0.1	3.2	0.1	15.6
40-50	0.1	20.4	-0.2	1.3	95	1.1	-0.1	4.1	0.2	18.4
50-75	0.3	39.4	-0.5	6.5	287	2.0	-0.2	10.9	0.4	21.2
75-100	0.8	56.9	-0.8	8.9	617	2.8	-0.1	10.7	0.6	23.3
100-200	0.4	76.8	-1.3	29.1	1,487	3.9	0.1	25.8	1.0	26.5
200-500	0.4	83.4	-1.7	21.7	3,880	4.4	0.2	17.3	1.2	29.4
500-1,000	0.6	82.8	-2.3	10.8	12,315	5.4	0.1	6.9	1.6	31.6
More than 1,000	0.5	84.6	-2.2	20.7	46,264	4.0	0.1	17.7	1.4	36.4
All	0.2	27.7	-1.1	100.0	633	3.4	0.0	100.0	0.8	24.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2011¹

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	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	16,811	10.7	6,086	275	5,811	4.5	0.9	1.1	0.2
10-20	25,284	16.2	16,631	876	15,756	5.3	3.5	4.4	0.8
20-30	21,596	13.8	27,636	3,117	24,518	11.3	5.0	5.8	2.3
30-40	16,032	10.2	38,799	6,000	32,799	15.5	5.2	5.7	3.3
40-50	13,218	8.5	49,940	9,106	40,834	18.2	5.5	5.9	4.2
50-75	22,444	14.3	68,652	14,282	54,370	20.8	12.8	13.3	11.1
75-100	14,300	9.1	96,522	21,854	74,668	22.6	11.5	11.7	10.8
100-200	19,360	12.4	150,400	38,428	111,972	25.6	24.2	23.7	25.7
200-500	5,551	3.6	317,079	89,285	227,793	28.2	14.6	13.8	17.1
500-1,000	865	0.6	755,020	226,371	528,648	30.0	5.4	5.0	6.8
More than 1,000	443	0.3	3,272,093	1,145,630	2,126,463	35.0	12.0	10.3	17.6
All	156,502	100.0	77,021	18,477	58,544	24.0	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 18.5 Proposal: 11.3

(1) Calendar year. Baseline is current law. Proposal repeals the state and local tax deduction. Taxation of state tax refunds is unaffected.

(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.