

Table T07-0192
Repeal State and Local Tax Deduction and Repeal AMT
Distribution of Federal Tax Change by Cash Income Class for Joint Tax Units, 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 | -0.1 | 0.0 | 0.0 | 0.0 | 6.4 |
| 10-20 | 0.0 | 0.3 | 0.0 | 0.0 | 1 | 0.2 | 0.0 | 0.1 | 0.0 | 2.6 |
| 20-30 | 0.1 | 2.5 | 0.0 | 0.1 | 10 | 0.7 | 0.0 | 0.5 | 0.0 | 5.6 |
| 30-40 | 0.1 | 7.1 | -0.1 | 0.2 | 26 | 0.7 | 0.0 | 0.9 | 0.1 | 9.3 |
| 40-50 | 0.8 | 15.9 | -0.2 | 0.5 | 66 | 1.0 | 0.0 | 1.4 | 0.1 | 13.1 |
| 50-75 | 11.1 | 34.2 | -0.2 | 1.8 | 108 | 0.9 | -0.1 | 6.3 | 0.2 | 18.0 |
| 75-100 | 23.6 | 49.2 | -0.2 | 2.8 | 177 | 0.9 | -0.2 | 9.6 | 0.2 | 21.2 |
| 100-200 | 12.1 | 74.0 | -1.1 | 31.7 | 1,216 | 3.2 | 0.1 | 29.8 | 0.8 | 25.7 |
| 200-500 | 12.0 | 83.0 | -1.4 | 24.6 | 3,099 | 3.5 | 0.1 | 21.2 | 1.0 | 28.8 |
| 500-1,000 | 9.4 | 82.9 | -1.9 | 12.7 | 10,300 | 4.6 | 0.1 | 8.5 | 1.4 | 30.8 |
| More than 1,000 | 8.7 | 83.9 | -1.9 | 25.6 | 40,568 | 3.6 | 0.1 | 21.5 | 1.3 | 35.7 |
| All | 9.3 | 40.2 | -1.0 | 100.0 | 932 | 3.0 | 0.0 | 100.0 | 0.8 | 25.6 |

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 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 | 2,639 | 4.2 | 4,620 | 294 | 4,327 | 6.4 | 0.2 | 0.2 | 0.0 |
| 10-20 | 4,485 | 7.1 | 17,304 | 455 | 16,849 | 2.6 | 1.0 | 1.3 | 0.1 |
| 20-30 | 5,955 | 9.5 | 27,889 | 1,559 | 26,330 | 5.6 | 2.1 | 2.7 | 0.5 |
| 30-40 | 5,054 | 8.0 | 38,856 | 3,569 | 35,286 | 9.2 | 2.5 | 3.1 | 0.9 |
| 40-50 | 4,210 | 6.7 | 50,042 | 6,469 | 43,573 | 12.9 | 2.7 | 3.1 | 1.4 |
| 50-75 | 10,008 | 15.9 | 69,903 | 12,437 | 57,466 | 17.8 | 9.0 | 9.8 | 6.4 |
| 75-100 | 9,348 | 14.8 | 97,065 | 20,348 | 76,717 | 21.0 | 11.7 | 12.3 | 9.8 |
| 100-200 | 15,286 | 24.3 | 151,521 | 37,688 | 113,833 | 24.9 | 29.8 | 29.8 | 29.7 |
| 200-500 | 4,661 | 7.4 | 316,262 | 87,829 | 228,433 | 27.8 | 18.9 | 18.2 | 21.1 |
| 500-1,000 | 726 | 1.2 | 753,511 | 222,115 | 531,395 | 29.5 | 7.0 | 6.6 | 8.3 |
| More than 1,000 | 371 | 0.6 | 3,248,742 | 1,118,504 | 2,130,237 | 34.4 | 15.5 | 13.5 | 21.4 |
| All | 62,978 | 100.0 | 123,574 | 30,756 | 92,818 | 24.9 | 100.0 | 100.0 | 100.0 |

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

Number of married AMT Taxpayers (millions). Baseline: 13.1 Proposal: 0.0

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