

Table T07-0193
Repeal State and Local Tax Deduction and Repeal AMT
Distribution of Federal Tax Change by Cash Income Percentile for Joint Tax Units, 2011¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	-0.1	0.0	0.1	0.0	3.2
Second Quintile	0.0	1.9	0.0	0.1	8	0.6	0.0	0.5	0.0	4.9
Middle Quintile	0.4	10.9	-0.1	0.7	43	0.9	-0.1	2.4	0.1	11.1
Fourth Quintile	16.2	38.6	-0.2	2.6	98	0.7	-0.3	11.7	0.1	19.0
Top Quintile	13.4	73.2	-1.3	96.6	2,304	3.5	0.4	85.2	1.0	28.7
All	9.3	40.2	-1.0	100.0	932	3.0	0.0	100.0	0.8	25.6
Addendum										
Top 10 Percent	9.1	82.5	-1.5	83.9	3,799	3.7	0.5	68.4	1.1	30.3
Top 5 Percent	11.2	83.1	-1.6	65.8	5,875	3.7	0.4	53.7	1.1	31.5
Top 1 Percent	9.5	83.2	-1.9	40.9	18,387	4.0	0.3	31.7	1.3	34.0
Top 0.5 Percent	8.7	83.2	-1.9	31.7	28,565	3.8	0.2	25.6	1.3	34.9
Top 0.1 Percent	7.8	86.1	-1.8	17.0	76,731	3.3	0.1	15.5	1.2	36.8

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	4,673	7.4	8,859	287	8,573	3.2	0.5	0.7	0.1
Second Quintile	7,901	12.6	25,042	1,217	23,826	4.9	2.5	3.2	0.5
Middle Quintile	9,885	15.7	43,520	4,794	38,726	11.0	5.5	6.6	2.5
Fourth Quintile	15,661	24.9	78,056	14,754	63,303	18.9	15.7	17.0	11.9
Top Quintile	24,623	39.1	240,439	66,778	173,661	27.8	76.1	73.2	84.9
All	62,978	100.0	123,574	30,756	92,818	24.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	12,965	20.6	347,711	101,447	246,264	29.2	57.9	54.6	67.9
Top 5 Percent	6,578	10.4	517,283	156,937	360,345	30.3	43.7	40.6	53.3
Top 1 Percent	1,307	2.1	1,425,392	465,629	959,762	32.7	23.9	21.5	31.4
Top 0.5 Percent	652	1.0	2,244,771	755,153	1,489,618	33.6	18.8	16.6	25.4
Top 0.1 Percent	130	0.2	6,464,618	2,300,414	4,164,204	35.6	10.8	9.3	15.5

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) The cash income percentile breaks used in this table are (in 2006 dollars): 20% \$15,384, 40% \$29,083, 60% \$50,348, 80% \$89,737, 90% \$132,504, 95% \$186,771, 99% \$447,567, 99.5% \$697,094, 99.9% \$1,996,728.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) 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.

(6) 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.