

Table T07-0201
Repeal State and Local Tax Deduction and Repeal AMT Against Tax Cuts Extended Baseline
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	0.0	0.0	0.1	0.0	2.9
Second Quintile	0.0	1.9	0.0	-0.1	4	0.4	0.0	0.4	0.0	3.4
Middle Quintile	0.3	10.4	-0.1	-1.0	30	0.8	0.1	2.2	0.1	9.0
Fourth Quintile	30.4	34.9	0.2	7.1	-128	-1.0	0.1	11.8	-0.2	17.0
Top Quintile	70.1	27.8	0.6	93.9	-1,080	-1.7	-0.1	85.4	-0.5	25.4
All	35.0	21.4	0.5	100.0	-450	-1.6	0.0	100.0	-0.4	22.6
Addendum										
Top 10 Percent	75.5	23.0	0.5	59.7	-1,305	-1.4	0.1	68.5	-0.4	26.7
Top 5 Percent	78.8	19.5	0.4	32.7	-1,409	-1.0	0.3	53.4	-0.3	27.6
Top 1 Percent	35.4	61.0	-0.9	-44.0	9,531	2.3	1.2	31.2	0.7	29.5
Top 0.5 Percent	25.4	69.7	-1.3	-47.1	20,451	3.1	1.2	25.2	0.9	30.3
Top 0.1 Percent	20.2	75.4	-1.4	-28.9	62,726	3.1	0.7	15.3	1.0	32.0

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	259	8,600	2.9	0.5	0.7	0.1
Second Quintile	7,901	12.6	25,042	835	24,207	3.3	2.5	3.2	0.4
Middle Quintile	9,885	15.7	43,520	3,882	39,637	8.9	5.5	6.5	2.2
Fourth Quintile	15,661	24.9	78,056	13,361	64,695	17.1	15.7	16.9	11.7
Top Quintile	24,623	39.1	240,439	62,027	178,411	25.8	76.1	73.3	85.5
All	62,978	100.0	123,574	28,352	95,223	22.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	12,965	20.6	347,711	94,136	253,576	27.1	57.9	54.8	68.4
Top 5 Percent	6,578	10.4	517,283	144,115	373,167	27.9	43.7	40.9	53.1
Top 1 Percent	1,307	2.1	1,425,392	410,218	1,015,173	28.8	23.9	22.1	30.0
Top 0.5 Percent	652	1.0	2,244,771	659,600	1,585,171	29.4	18.8	17.2	24.1
Top 0.1 Percent	130	0.2	6,464,618	2,006,037	4,458,581	31.0	10.8	9.7	14.6

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

Number of married AMT Taxpayers (millions). Baseline: 27.1 Proposal: 0.0

(1) Calendar year. Baseline is current law plus extension of all provisions of the 2001-2006 tax cuts due to sunset after 2010. 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.