

Table T07-0223
Unified Tax Plan B Against Tax Cuts Extended Baseline
Distribution of Federal Tax Change by Cash Income Class, 2013¹

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	25.5	1.7	5.4	17.7	-321	-113.5	-0.2	0.0	-5.1	-0.6
10-20	37.1	17.7	2.5	35.9	-419	-56.9	-0.4	0.3	-2.4	1.8
20-30	17.9	57.3	-0.2	-4.8	64	2.4	0.1	2.1	0.2	9.4
30-40	10.1	73.5	-0.8	-14.8	265	4.9	0.2	3.2	0.7	14.0
40-50	16.4	72.7	-0.6	-12.4	272	3.2	0.2	4.2	0.5	17.1
50-75	49.3	47.1	0.0	0.3	-4	0.0	0.1	10.9	0.0	19.3
75-100	70.7	28.2	1.0	37.7	-761	-3.5	-0.3	10.5	-0.8	20.6
100-200	92.8	6.8	2.7	221.2	-3,162	-8.2	-2.0	25.2	-2.0	22.4
200-500	90.8	8.9	3.3	162.9	-8,063	-9.0	-1.5	16.9	-2.4	24.7
500-1,000	46.0	53.6	-1.6	-29.1	9,263	4.5	0.4	6.9	1.2	27.4
More than 1,000	23.9	75.9	-8.2	-312.2	194,873	19.3	3.4	19.7	5.8	35.6
All	42.7	35.7	0.3	100.0	-185	-1.0	0.0	100.0	-0.2	22.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2013¹

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	16,373	10.2	6,255	283	5,971	4.5	0.8	1.0	0.2
10-20	25,481	15.9	17,417	735	16,682	4.2	3.4	4.1	0.6
20-30	22,189	13.8	28,919	2,664	26,255	9.2	4.8	5.7	2.0
30-40	16,576	10.3	40,475	5,401	35,075	13.3	5.1	5.6	3.1
40-50	13,533	8.4	52,198	8,656	43,542	16.6	5.3	5.7	4.0
50-75	22,907	14.3	71,621	13,829	57,792	19.3	12.4	12.8	10.8
75-100	14,729	9.2	100,759	21,501	79,258	21.3	11.2	11.3	10.8
100-200	20,781	12.9	157,411	38,484	118,926	24.5	24.7	24.0	27.2
200-500	5,999	3.7	331,350	89,757	241,593	27.1	15.0	14.1	18.3
500-1,000	933	0.6	788,197	206,733	581,463	26.2	5.6	5.3	6.6
More than 1,000	476	0.3	3,378,944	1,008,368	2,370,576	29.8	12.1	10.9	16.3
All	160,566	100.0	82,486	18,296	64,190	22.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 41.1 Proposal: 0.0

(1) Calendar year. Baseline is tax cuts extended. In the proposal, capital gains and dividends are taxed as ordinary income. There is a 50 percent exclusion on capital gains that is capped at \$50,000 and indexed for inflation to 2008 dollars. Income tax rates and brackets are changed so that for married taxpayers filing jointly, the first \$75,000 is taxed at 15 percent, \$75,000-\$250,000 at 25 percent, and over \$250,000 at 35 percent (indexed to 2006 dollars). Brackets for other types of filers are adjusted proportionally. The AMT is eliminated. The ceiling on the social security tax is eliminated for employers (this does not include self-employment income). The EITC has a bracket for taxpayers with 3 or more children that uses the same ranges and values as the bracket for taxpayers with 2 children except that its phase-in rate is 45 percent. For childless EITC recipients, the phase-in rate is 20 percent, the phase-out rate is doubled to 15.3 percent, the lower bound of the plateau is increased to \$8,080, and the upper bound of the plateau is increased to \$10,000 (indexed to 2006 dollars). The Child Tax Credit is made fully refundable and indexed to inflation in 2006 dollars. The estate tax is adjusted to have a \$2.5 million exemption and a 45 percent rate.

(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.