

Table T07-0235
Unified Tax Plan A Against Tax Cuts Extended With AMT Indexed 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	-4.5	-321	-113.5	-0.2	0.0	-5.1	-0.6
10-20	37.1	17.7	2.5	-9.1	-419	-56.9	-0.4	0.3	-2.4	1.8
20-30	17.8	57.3	-0.3	1.2	65	2.4	0.0	2.1	0.2	9.4
30-40	8.9	74.7	-0.8	3.9	278	5.2	0.0	3.2	0.7	14.0
40-50	11.1	77.9	-0.8	4.0	343	4.0	0.0	4.1	0.7	17.1
50-75	35.8	60.5	-0.5	5.4	278	2.1	-0.2	10.8	0.4	19.3
75-100	35.7	63.2	-0.4	4.1	326	1.6	-0.3	10.4	0.3	20.6
100-200	71.7	27.8	0.2	-5.2	-291	-0.8	-1.3	25.1	-0.2	22.4
200-500	56.6	43.1	-0.3	4.3	831	1.0	-0.5	17.2	0.3	25.3
500-1,000	26.8	72.7	-2.8	13.1	16,331	8.0	0.3	7.1	2.1	28.1
More than 1,000	10.9	88.7	-8.5	82.2	201,678	20.0	2.6	19.7	6.0	35.8
All	32.9	45.5	-1.1	100.0	727	4.2	0.0	100.0	0.9	22.1

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	0.9	0.2
10-20	25,481	15.9	17,417	735	16,682	4.2	3.4	4.1	0.7
20-30	22,189	13.8	28,919	2,663	26,256	9.2	4.8	5.6	2.1
30-40	16,576	10.3	40,475	5,387	35,088	13.3	5.1	5.6	3.2
40-50	13,533	8.4	52,198	8,586	43,612	16.5	5.3	5.7	4.1
50-75	22,907	14.3	71,621	13,547	58,074	18.9	12.4	12.8	11.0
75-100	14,729	9.2	100,759	20,414	80,345	20.3	11.2	11.3	10.7
100-200	20,781	12.9	157,411	35,620	121,790	22.6	24.7	24.3	26.3
200-500	5,999	3.7	331,350	82,896	248,454	25.0	15.0	14.3	17.7
500-1,000	933	0.6	788,197	205,474	582,722	26.1	5.6	5.2	6.8
More than 1,000	476	0.3	3,378,944	1,007,888	2,371,056	29.8	12.1	10.8	17.1
All	160,566	100.0	82,486	17,512	64,973	21.2	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 5.2 Proposal: 0.0

(1) Calendar year. Baseline is tax cuts extended with the AMT exemption levels set to their 2006 values and indexed for inflation. Additionally, the baseline assumes that the education credit, elderly credit, and dependent care credit can be counted against AMT liability. 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-\$190,000 at 25 percent, and over \$190,000 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.