

A more detailed version of this table including baseline values and additional distribution measures is available on the second worksheet in the Excel file and second page of the pdf.

5-Nov-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

Table T07-0324
Include Dividends and Capital Gains Above \$50,000 (\$100,000 Joint) as an AMT Preference
Baseline is Current Law Plus the AMT Patch in H.R. 3996
Distribution of Federal Tax Change by Cash Income Percentile, 2007¹
Summary Table

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 (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	3.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	7.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	14.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	18.7
Top Quintile	0.0	2.2	-1.0	100.0	1,568	0.8	26.0
All	0.0	0.4	-0.6	100.0	314	0.5	21.7
Addendum							
80-90	0.0	0.0	0.0	0.0	0	0.0	20.9
90-95	0.0	0.2	0.0	0.0	2	0.0	22.8
95-99	0.0	4.6	-0.2	4.4	347	0.1	25.0
Top 1 Percent	0.1	24.3	-3.4	95.5	29,964	2.3	32.7
Top 0.1 Percent	0.1	41.4	-5.6	72.0	225,860	3.8	36.5

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

Number of AMT Taxpayers (millions). Baseline: 3.5 Proposal: 3.7

(1) Calendar year. Baseline is current law plus: allow personal non-refundable credits regardless of tentative AMT; increase the 2007 AMT exemption to \$44,350 for singles and \$66,250 for married couples filing a joint return. Proposal: for AMT purposes, qualified dividends and long-term capital gains in excess of \$50,000 (\$100,000 for joint returns) are taxed at ordinary AMT rates.

(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% \$13,944, 40% \$26,887, 60% \$47,151, 80% \$83,902, 90% \$123,792, 95% \$174,283, 99% \$425,614, 99.5% \$663,650, and 99.9% 1,925,007.

(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.

Table T07-0324
Include Dividends and Capital Gains Above \$50,000 (\$100,000 Joint) as an AMT Preference, Baseline is Current Law Plus the AMT Patch in H.R. 3996
Distribution of Federal Tax Change by Cash Income Percentile, 2007¹
Detail Table

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	0.4	0.0	3.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	2.1	0.0	7.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	7.4	0.0	14.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.4	16.8	0.0	18.7
Top Quintile	0.0	2.2	-1.0	100.0	1,568	3.1	0.6	73.1	0.8	26.0
All	0.0	0.4	-0.6	100.0	314	2.2	0.0	100.0	0.5	21.7
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.3	14.9	0.0	20.9
90-95	0.0	0.2	0.0	0.0	2	0.0	-0.3	11.7	0.0	22.8
95-99	0.0	4.6	-0.2	4.4	347	0.6	-0.3	17.4	0.1	25.0
Top 1 Percent	0.1	24.3	-3.4	95.5	29,964	7.7	1.5	29.1	2.3	32.7
Top 0.1 Percent	0.1	41.4	-5.6	72.0	225,860	11.5	1.3	15.2	3.8	36.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2007¹

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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	29,273	19.6	8,074	277	7,796	3.4	2.4	2.9	0.4	
Second Quintile	29,866	20.0	20,521	1,492	19,029	7.3	6.2	7.3	2.1	
Middle Quintile	29,865	20.0	37,071	5,334	31,737	14.4	11.2	12.1	7.6	
Fourth Quintile	29,866	20.0	64,859	12,126	52,733	18.7	19.5	20.2	17.2	
Top Quintile	29,866	20.0	203,046	51,137	151,909	25.2	61.1	58.1	72.5	
All	149,332	100.0	66,439	14,099	52,340	21.2	100.0	100.0	100.0	
Addendum										
80-90	14,933	10.0	103,253	21,529	81,724	20.9	15.5	15.6	15.3	
90-95	7,468	5.0	147,701	33,628	114,073	22.8	11.1	10.9	11.9	
95-99	5,972	4.0	251,471	62,455	189,016	24.8	15.1	14.4	17.7	
Top 1 Percent	1,493	1.0	1,284,199	389,546	894,652	30.3	19.3	17.1	27.6	
Top 0.1 Percent	149	0.1	6,011,426	1,969,332	4,042,094	32.8	9.1	7.7	14.0	

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

Number of AMT Taxpayers (millions). Baseline: 3.5 Proposal: 3.7

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