

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.

10-Dec-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

Table T07-0341
Replace Individual Income Tax with Republican Study Committee Alternative
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	8.3	25.4	-5.2	-7.8	405	5.0	8.5
Second Quintile	36.8	29.8	-3.6	-13.4	679	3.3	10.6
Middle Quintile	56.1	31.0	0.3	1.8	-92	-0.3	14.1
Fourth Quintile	77.9	20.3	2.8	29.6	-1,498	-2.3	16.4
Top Quintile	83.4	16.2	3.0	90.0	-4,557	-2.2	22.5
All	52.5	24.5	1.9	100.0	-1,013	-1.5	19.5
Addendum							
80-90	82.5	17.0	2.9	23.7	-2,396	-2.3	18.5
90-95	87.3	12.4	4.3	24.1	-4,878	-3.3	19.4
95-99	82.0	17.8	2.5	18.6	-4,699	-1.9	22.4
Top 1 Percent	79.1	20.5	2.7	23.7	-24,001	-1.9	27.7
Top 0.1 Percent	72.2	27.5	2.5	10.1	-102,334	-1.7	30.5

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

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

(1) Calendar year. Baseline is current law with no individual AMT. Proposal replaces the current individual income tax with the Republican Study Committee's alternative tax system as described in H.R. 3818, with the exception that gross income is replaced by total income in the determination of the tax base. The alternative tax denies adjustments to income, itemized deductions, and tax credits; has a standard deduction of \$12,500 (\$25,000 for joint returns) and personal exemptions of \$3,500; and has rates of 10% up to \$50,000 (\$100,000 for joint returns) and 25% above that level. The preferential rates on capital gains and dividends are retained in the alternative tax.

(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.