

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.

20-Dec-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

**Table T07-0343**  
**H.R. 3996, The Tax Increase Prevention Act of 2007**  
**Final Version as Passed by the House and Senate**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2007 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	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	1.0	0.0	0.0	0.3	-4	0.0	14.4
Fourth Quintile	11.9	0.0	0.2	5.8	-88	-0.1	18.7
Top Quintile	63.7	0.3	0.9	93.9	-1,415	-0.7	25.2
All	15.3	0.1	0.6	100.0	-301	-0.5	21.2
<b>Addendum</b>							
80-90	52.0	0.2	0.9	23.3	-704	-0.7	20.9
90-95	75.6	0.3	1.3	25.1	-1,514	-1.0	22.8
95-99	87.7	0.6	1.8	43.2	-3,253	-1.3	24.8
Top 1 Percent	25.4	0.9	0.1	2.3	-684	-0.1	30.3
Top 0.1 Percent	2.5	1.0	0.0	0.0	-61	0.0	32.8

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

Number of AMT Taxpayers (millions). Baseline: 23.4 Proposal: 3.5

(1) Calendar year. Baseline is current law. Proposal allows personal nonrefundable credits against the AMT and increases the AMT exemption to \$44,350 for single and head of household filers and to \$66,250 for joint filers in 2007.

(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 T07-0343**  
**H.R. 3996, The Tax Increase Prevention Act of 2007**  
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**Distribution of Federal Tax Change by Cash Income Percentile, 2007<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	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	0.0	2.1	0.0	7.3
Middle Quintile	1.0	0.0	0.0	0.3	-4	-0.1	0.2	7.6	0.0	14.4
Fourth Quintile	11.9	0.0	0.2	5.8	-88	-0.7	0.2	17.2	-0.1	18.7
Top Quintile	63.7	0.3	0.9	93.9	-1,415	-2.7	-0.5	72.5	-0.7	25.2
All	15.3	0.1	0.6	100.0	-301	-2.1	0.0	100.0	-0.5	21.2
<b>Addendum</b>										
80-90	52.0	0.2	0.9	23.3	-704	-3.2	-0.2	15.3	-0.7	20.9
90-95	75.6	0.3	1.3	25.1	-1,514	-4.3	-0.3	11.9	-1.0	22.8
95-99	87.7	0.6	1.8	43.2	-3,253	-5.0	-0.5	17.7	-1.3	24.8
Top 1 Percent	25.4	0.9	0.1	2.3	-684	-0.2	0.5	27.6	-0.1	30.3
Top 0.1 Percent	2.5	1.0	0.0	0.0	-61	0.0	0.3	14.0	0.0	32.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2007<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	5,338	31,732	14.4	11.2	12.2	7.4	
Fourth Quintile	29,866	20.0	64,859	12,214	52,645	18.8	19.5	20.2	17.0	
Top Quintile	29,866	20.0	203,046	52,552	150,494	25.9	61.1	57.8	73.0	
All	149,332	100.0	66,439	14,401	52,039	21.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	14,933	10.0	103,253	22,233	81,021	21.5	15.5	15.6	15.4	
90-95	7,468	5.0	147,701	35,142	112,559	23.8	11.1	10.8	12.2	
95-99	5,972	4.0	251,471	65,708	185,764	26.1	15.1	14.3	18.3	
Top 1 Percent	1,493	1.0	1,284,199	390,231	893,968	30.4	19.3	17.2	27.1	
Top 0.1 Percent	149	0.1	6,011,426	1,969,393	4,042,033	32.8	9.1	7.8	13.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version1006-1).

Number of AMT Taxpayers (millions). Baseline: 23.4 Proposal: 3.5

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