

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.

1-Nov-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

**Table T07-0320**  
**AMT Patch in H.R. 3996 (as Passed by the House), The Temporary Tax Relief Act of 2007**  
**Distribution of Federal Tax Change by Cash Income Percentile for Individuals Remaining on the AMT, 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	*	*	*	*	*	*	*
Second Quintile	*	*	*	*	*	*	*
Middle Quintile	*	*	*	*	*	*	*
Fourth Quintile	100.0	0.0	4.8	1.2	-2,737	-3.7	19.8
Top Quintile	85.0	0.3	1.3	98.7	-3,992	-0.9	28.6
All	85.2	0.3	1.3	100.0	-3,969	-0.9	28.6
<b>Addendum</b>							
80-90	99.8	0.0	4.0	4.4	-3,277	-3.0	22.3
90-95	99.8	0.0	3.7	9.9	-4,215	-2.8	22.6
95-99	97.7	0.2	2.4	78.3	-5,010	-1.7	27.0
Top 1 Percent	38.0	1.1	0.2	6.1	-1,133	-0.1	30.4
Top 0.1 Percent	6.5	3.1	0.0	0.1	-156	0.0	32.0

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

Note: Data in cells with asterisks are suppressed due to the small number of cases in those cells.

Number of AMT Taxpayers (millions). Baseline: 3.5 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. Table includes only those taxpayers who would pay the AMT in 2007 under current law and who would still pay under the proposal.

(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.

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**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	*	*	*	*	*	*	*	*	*	*
Second Quintile	*	*	*	*	*	*	*	*	*	*
Middle Quintile	*	*	*	*	*	*	*	*	*	*
Fourth Quintile	100.0	0.0	4.8	1.2	-2,737	-15.6	0.0	0.2	-3.7	19.8
Top Quintile	85.0	0.3	1.3	98.7	-3,992	-3.2	0.0	99.7	-0.9	28.6
All	85.2	0.3	1.3	100.0	-3,969	-3.2	0.0	100.0	-0.9	28.6
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80-90	99.8	0.0	4.0	4.4	-3,277	-11.7	-0.1	1.1	-3.0	22.3
90-95	99.8	0.0	3.7	9.9	-4,215	-10.9	-0.2	2.7	-2.8	22.6
95-99	97.7	0.2	2.4	78.3	-5,010	-6.0	-1.2	40.2	-1.7	27.0
Top 1 Percent	38.0	1.1	0.2	6.1	-1,133	-0.4	1.6	55.8	-0.1	30.4
Top 0.1 Percent	6.5	3.1	0.0	0.1	-156	0.0	0.7	23.0	0.0	32.0

**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 Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	*	*	*	*	*	*	*	*	*	
Second Quintile	*	*	*	*	*	*	*	*	*	
Middle Quintile	*	*	*	*	*	*	*	*	*	
Fourth Quintile	62	1.8	74,764	17,532	57,232	23.5	0.3	0.3	0.3	
Top Quintile	3,474	98.2	429,220	126,646	302,574	29.5	99.7	99.7	99.7	
All	3,539	100.0	422,598	124,668	297,930	29.5	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	189	5.3	111,138	28,106	83,031	25.3	1.4	1.5	1.2	
90-95	330	9.3	152,782	38,725	114,056	25.4	3.4	3.6	2.9	
95-99	2,195	62.0	289,376	83,215	206,160	28.8	42.5	42.9	41.4	
Top 1 Percent	760	21.5	1,032,573	314,863	717,710	30.5	52.4	51.7	54.2	
Top 0.1 Percent	45	1.3	6,762,298	2,165,468	4,596,830	32.0	20.5	19.8	22.3	

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

Note: Data in cells with asterisks are suppressed due to the small number of cases in those cells.

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

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