Table T08-0011
Reduce 10-Percent Individual Income Tax Rate to 0 Percent
Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels
Summary Table

<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Percent of Tax Units4</th>
<th>Percent Change in After-Tax Income5</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate6 Change (% Points)</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>8.4</td>
<td>0.0</td>
<td>0.2</td>
<td>0.5</td>
<td>-16</td>
<td>-0.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>43.6</td>
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<td>1.4</td>
<td>8.1</td>
<td>-271</td>
<td>-1.3</td>
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<tr>
<td>Middle Quintile</td>
<td>79.1</td>
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<td>2.2</td>
<td>20.6</td>
<td>-688</td>
<td>-1.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>95.6</td>
<td>0.0</td>
<td>2.2</td>
<td>34.5</td>
<td>-1,155</td>
<td>-1.8</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>86.2</td>
<td>0.0</td>
<td>0.8</td>
<td>36.3</td>
<td>-1,213</td>
<td>-0.6</td>
</tr>
<tr>
<td>All</td>
<td>62.5</td>
<td>0.0</td>
<td>1.3</td>
<td>100.0</td>
<td>-668</td>
<td>-1.0</td>
</tr>
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</table>

Addendum

<table>
<thead>
<tr>
<th></th>
<th>With Tax Cut</th>
<th>With Tax Increase</th>
<th>Percent Change in After-Tax Income5</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate6 Change (% Points)</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>97.2</td>
<td>0.0</td>
<td>1.7</td>
<td>20.6</td>
<td>-1,377</td>
<td>-1.3</td>
<td>19.5</td>
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<tr>
<td>90-95</td>
<td>94.6</td>
<td>0.0</td>
<td>1.2</td>
<td>10.2</td>
<td>-1,363</td>
<td>-0.9</td>
<td>21.9</td>
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<tr>
<td>95-99</td>
<td>59.4</td>
<td>0.0</td>
<td>0.4</td>
<td>4.7</td>
<td>-778</td>
<td>-0.3</td>
<td>24.4</td>
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<tr>
<td>Top 1 Percent</td>
<td>40.7</td>
<td>0.0</td>
<td>0.1</td>
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<td>-561</td>
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<td>30.2</td>
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<td>Top 0.1 Percent</td>
<td>64.3</td>
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<td>0.0</td>
<td>0.1</td>
<td>-952</td>
<td>0.0</td>
<td>32.7</td>
</tr>
</tbody>
</table>


Number of AMT Taxpayers (millions). Baseline: 3.7 Proposal: 5.3

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. Proposal provides a tax rebate equivalent to a reduction in the bottom tax rate from 10 percent to 0 percent, based on income reported on 2007 tax returns.

(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 T08-0011
Reduce 10-Percent Individual Income Tax Rate to 0 Percent
Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels

#### Detail Table

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Percent Change in After-Tax Income&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate&lt;sup&gt;4&lt;/sup&gt;</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
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<tr>
<td>Lowest Quintile</td>
<td>8.4</td>
<td>0.0</td>
<td>0.2</td>
<td>-16</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>43.6</td>
<td>0.0</td>
<td>1.4</td>
<td>-271</td>
<td>-0.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>79.1</td>
<td>0.0</td>
<td>2.2</td>
<td>-688</td>
<td>-0.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>95.6</td>
<td>0.0</td>
<td>2.2</td>
<td>-1,155</td>
<td>-0.9</td>
<td>16.4</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>86.2</td>
<td>0.0</td>
<td>0.8</td>
<td>-1,213</td>
<td>1.8</td>
<td>74.4</td>
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<tr>
<td>All</td>
<td>62.5</td>
<td>0.0</td>
<td>1.3</td>
<td>-668</td>
<td>0.0</td>
<td>100.0</td>
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<tr>
<td>80-90</td>
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<td>1.7</td>
<td>20.6</td>
<td>1,377</td>
<td>0.3</td>
<td>15.1</td>
</tr>
<tr>
<td>90-95</td>
<td>94.6</td>
<td>1.2</td>
<td>10.2</td>
<td>1,363</td>
<td>0.1</td>
<td>12.1</td>
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<tr>
<td>95-99</td>
<td>59.4</td>
<td>0.4</td>
<td>4.7</td>
<td>-778</td>
<td>0.7</td>
<td>18.3</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>40.7</td>
<td>0.1</td>
<td>0.8</td>
<td>-561</td>
<td>1.3</td>
<td>28.9</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>64.3</td>
<td>0.0</td>
<td>0.1</td>
<td>-952</td>
<td>0.7</td>
<td>14.7</td>
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</table>

#### Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2007<sup>3</sup>

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income&lt;sup&gt;5&lt;/sup&gt;</th>
<th>Average Federal Tax Rate&lt;sup&gt;6&lt;/sup&gt;</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (thousands)</td>
<td>Percent of Total</td>
<td></td>
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<td></td>
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<tr>
<td>Lowest Quintile</td>
<td>29,273</td>
<td>19.6</td>
<td>8,074</td>
<td>272</td>
<td>7,802</td>
<td>3.4</td>
<td>2.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>29,866</td>
<td>20.0</td>
<td>20,521</td>
<td>1,466</td>
<td>19,055</td>
<td>7.1</td>
<td>6.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>29,865</td>
<td>20.0</td>
<td>37,071</td>
<td>5,301</td>
<td>31,769</td>
<td>14.3</td>
<td>11.2</td>
<td>12.1</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>29,866</td>
<td>20.0</td>
<td>64,859</td>
<td>12,119</td>
<td>52,741</td>
<td>18.7</td>
<td>19.5</td>
<td>20.1</td>
</tr>
<tr>
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<td>29,866</td>
<td>20.0</td>
<td>203,046</td>
<td>50,980</td>
<td>152,066</td>
<td>25.1</td>
<td>61.1</td>
<td>58.1</td>
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<tr>
<td>All</td>
<td>149,332</td>
<td>100.0</td>
<td>66,439</td>
<td>14,054</td>
<td>52,385</td>
<td>21.2</td>
<td>100.0</td>
<td>100.0</td>
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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>14,933</td>
<td>10.0</td>
<td>103,253</td>
<td>21,527</td>
<td>81,726</td>
<td>20.9</td>
<td>15.5</td>
<td>15.6</td>
</tr>
<tr>
<td>90-95</td>
<td>7,468</td>
<td>5.0</td>
<td>147,701</td>
<td>33,645</td>
<td>114,056</td>
<td>22.8</td>
<td>11.1</td>
<td>10.9</td>
</tr>
<tr>
<td>95-99</td>
<td>5,972</td>
<td>4.0</td>
<td>251,471</td>
<td>62,042</td>
<td>189,429</td>
<td>24.7</td>
<td>15.1</td>
<td>14.5</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>1,493</td>
<td>1.0</td>
<td>1,284,199</td>
<td>387,987</td>
<td>896,211</td>
<td>30.2</td>
<td>19.3</td>
<td>17.1</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>149</td>
<td>0.1</td>
<td>6,011,426</td>
<td>1,969,213</td>
<td>4,042,214</td>
<td>32.8</td>
<td>9.1</td>
<td>7.7</td>
</tr>
</tbody>
</table>

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