

Table T08-0018
Tax Rebate of up to \$400 (\$800 For Couples) Plus \$200 Per Dependent
Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels¹
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	53.8	0.0	3.4	9.0	-263	-3.3	0.1
Second Quintile	73.3	0.0	2.2	14.8	-425	-2.1	5.1
Middle Quintile	89.2	0.0	1.8	19.5	-560	-1.5	12.8
Fourth Quintile	98.2	0.0	1.4	25.6	-735	-1.1	17.6
Top Quintile	99.5	0.0	0.6	31.1	-893	-0.4	24.7
All	82.8	0.0	1.1	100.0	-575	-0.9	20.3
Addendum							
80-90	99.4	0.0	1.1	15.2	-872	-0.8	20.0
90-95	99.7	0.0	0.8	7.9	-910	-0.6	22.2
95-99	99.7	0.0	0.5	6.4	-923	-0.4	24.3
Top 1 Percent	99.8	0.0	0.1	1.6	-906	-0.1	30.1
Top 0.1 Percent	99.9	0.0	0.0	0.2	-903	0.0	32.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

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

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. Proposal provides a tax rebate of up to \$400 (\$800 for married couples filing a joint return) plus \$200 per dependent. The rebate would be limited by the sum of individual income tax liability (if positive) and 15 percent of earnings (defined as wages plus self-employment income, if positive).

(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 T08-0018
Tax Rebate of up to \$400 (\$800 For Couples) Plus \$200 Per Dependent
Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels¹
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	53.8	0.0	3.4	9.0	-263	-96.6	-0.4	0.0	-3.3	0.1
Second Quintile	73.3	0.0	2.2	14.8	-425	-29.0	-0.5	1.5	-2.1	5.1
Middle Quintile	89.2	0.0	1.8	19.5	-560	-10.6	-0.5	7.0	-1.5	12.8
Fourth Quintile	98.2	0.0	1.4	25.6	-735	-6.1	-0.4	16.9	-1.1	17.6
Top Quintile	99.5	0.0	0.6	31.1	-893	-1.8	1.8	74.3	-0.4	24.7
All	82.8	0.0	1.1	100.0	-575	-4.1	0.0	100.0	-0.9	20.3
Addendum										
80-90	99.4	0.0	1.1	15.2	-872	-4.1	0.0	15.3	-0.8	20.0
90-95	99.7	0.0	0.8	7.9	-910	-2.7	0.2	12.2	-0.6	22.2
95-99	99.7	0.0	0.5	6.4	-923	-1.5	0.5	18.1	-0.4	24.3
Top 1 Percent	99.8	0.0	0.1	1.6	-906	-0.2	1.1	28.7	-0.1	30.1
Top 0.1 Percent	99.9	0.0	0.0	0.2	-903	-0.1	0.6	14.6	0.0	32.7

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 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	29,273	19.6	8,074	272	7,802	3.4	2.4	2.9	0.4
Second Quintile	29,866	20.0	20,521	1,466	19,055	7.1	6.2	7.3	2.1
Middle Quintile	29,865	20.0	37,071	5,301	31,769	14.3	11.2	12.1	7.5
Fourth Quintile	29,866	20.0	64,859	12,119	52,741	18.7	19.5	20.1	17.3
Top Quintile	29,866	20.0	203,046	50,980	152,066	25.1	61.1	58.1	72.6
All	149,332	100.0	66,439	14,054	52,385	21.2	100.0	100.0	100.0
Addendum									
80-90	14,933	10.0	103,253	21,527	81,726	20.9	15.5	15.6	15.3
90-95	7,468	5.0	147,701	33,645	114,056	22.8	11.1	10.9	12.0
95-99	5,972	4.0	251,471	62,042	189,429	24.7	15.1	14.5	17.7
Top 1 Percent	1,493	1.0	1,284,199	387,987	896,211	30.2	19.3	17.1	27.6
Top 0.1 Percent	149	0.1	6,011,426	1,969,213	4,042,214	32.8	9.1	7.7	14.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline:

3.7

Proposal:

3.7

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. Proposal provides a tax rebate of up to \$400 (\$800 for married couples filing a joint return) plus \$200 per dependent. The rebate would be limited by the sum of individual income tax liability (if positive) and 15 percent of earnings (defined as wages plus self-employment income, if positive).

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