

**Table T08-0023**  
**Tax Rebate of up to \$550 (\$1,100 For Couples) Plus \$275 Per Dependent**  
**Phased Out for Upper Income Taxpayers**  
**Distribution of Federal Tax Change by Cash Income Level, 2007 Income Levels <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2006 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Less than 10</b>	51.2	0.0	5.3	5.3	-287	-5.0	-1.0
<b>10-20</b>	61.6	0.0	3.2	12.1	-472	-3.1	1.1
<b>20-30</b>	80.5	0.0	2.8	13.1	-649	-2.6	6.9
<b>30-40</b>	88.1	0.0	2.5	11.5	-755	-2.1	11.7
<b>40-50</b>	93.5	0.0	2.2	10.0	-826	-1.8	14.6
<b>50-75</b>	98.0	0.0	1.9	21.1	-993	-1.6	16.9
<b>75-100</b>	95.8	0.0	1.6	14.4	-1,100	-1.3	18.8
<b>100-200</b>	63.8	0.0	0.7	11.8	-708	-0.5	21.9
<b>200-500</b>	6.0	0.0	0.0	0.3	-56	0.0	25.3
<b>500-1,000</b>	6.3	0.0	0.0	0.1	-62	0.0	27.1
<b>More than 1,000</b>	2.1	0.0	0.0	0.0	-23	0.0	31.9
<b>All</b>	74.4	0.0	1.3	100.0	-670	-1.0	20.1

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 \$550 (\$1,100 for married couples filing a joint return) plus \$275 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). The rebate would be phased out at a rate of 5 percent of AGI in excess of the thresholds for the child tax credit phaseout (\$75,000 for singles, \$110,000 for couples).

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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 Level (thousands of 2006 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	51.2	0.0	5.3	5.3	-287	-124.7	-0.3	-0.1	-5.0	-1.0
<b>10-20</b>	61.6	0.0	3.2	12.1	-472	-73.1	-0.6	0.2	-3.1	1.1
<b>20-30</b>	80.5	0.0	2.8	13.1	-649	-27.2	-0.5	1.8	-2.6	6.9
<b>30-40</b>	88.1	0.0	2.5	11.5	-755	-15.4	-0.4	3.2	-2.1	11.7
<b>40-50</b>	93.5	0.0	2.2	10.0	-826	-11.0	-0.3	4.1	-1.8	14.6
<b>50-75</b>	98.0	0.0	1.9	21.1	-993	-8.6	-0.5	11.3	-1.6	16.9
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<b>200-500</b>	6.0	0.0	0.0	0.3	-56	-0.1	0.8	16.6	0.0	25.3
<b>500-1,000</b>	6.3	0.0	0.0	0.1	-62	0.0	0.3	7.1	0.0	27.1
<b>More than 1,000</b>	2.1	0.0	0.0	0.0	-23	0.0	0.9	19.7	0.0	31.9
<b>All</b>	74.4	0.0	1.3	100.0	-670	-4.8	0.0	100.0	-1.0	20.1

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

Cash Income Level (thousands of 2006 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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							
<b>Less than 10</b>	18,608	12.5	5,699	230	5,469	4.0	1.1	1.3	0.2
<b>10-20</b>	25,761	17.3	15,189	645	14,544	4.3	3.9	4.8	0.8
<b>20-30</b>	20,224	13.5	25,240	2,389	22,851	9.5	5.1	5.9	2.3
<b>30-40</b>	15,244	10.2	35,555	4,911	30,645	13.8	5.5	6.0	3.6
<b>40-50</b>	12,157	8.1	45,638	7,506	38,132	16.5	5.6	5.9	4.4
<b>50-75</b>	21,294	14.3	62,764	11,625	51,140	18.5	13.5	13.9	11.8
<b>75-100</b>	13,139	8.8	88,142	17,624	70,518	20.0	11.7	11.8	11.0
<b>100-200</b>	16,685	11.2	137,212	30,754	106,458	22.4	23.1	22.7	24.5
<b>200-500</b>	4,475	3.0	293,234	74,091	219,143	25.3	13.2	12.5	15.8
<b>500-1,000</b>	756	0.5	692,259	187,849	504,410	27.1	5.3	4.9	6.8
<b>More than 1,000</b>	396	0.3	3,113,319	992,950	2,120,369	31.9	12.4	10.7	18.8
<b>All</b>	149,332	100.0	66,439	14,054	52,385	21.2	100.0	100.0	100.0

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

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

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