

**Table T08-0026**  
**Fully Refundable Tax Rebate of \$450 (\$900 For Couples) Plus \$225 Per Dependent**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels<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
<b>Lowest Quintile</b>	60.3	0.0	4.1	10.3	-317	-3.9	-0.6
<b>Second Quintile</b>	78.0	0.0	2.4	15.3	-462	-2.3	4.9
<b>Middle Quintile</b>	92.1	0.0	1.8	19.4	-584	-1.6	12.7
<b>Fourth Quintile</b>	99.4	0.0	1.4	24.8	-747	-1.2	17.5
<b>Top Quintile</b>	100.0	0.0	0.6	29.8	-897	-0.4	24.7
<b>All</b>	86.1	0.0	1.2	100.0	-603	-0.9	20.3
<b>Addendum</b>							
<b>80-90</b>	99.9	0.0	1.1	14.5	-876	-0.9	20.0
<b>90-95</b>	100.0	0.0	0.8	7.6	-913	-0.6	22.2
<b>95-99</b>	100.0	0.0	0.5	6.1	-926	-0.4	24.3
<b>Top 1 Percent</b>	100.0	0.0	0.1	1.5	-909	-0.1	30.1
<b>Top 0.1 Percent</b>	100.0	0.0	0.0	0.2	-904	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 fully refundable tax rebate available to all individual income tax filers of up to \$450 (\$900 for married couples filing a joint return) plus \$225 per dependent.

(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 T08-0026**  
**Fully Refundable Tax Rebate of \$450 (\$900 For Couples) Plus \$225 Per Dependent**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2007 Income Levels<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
<b>Lowest Quintile</b>	60.3	0.0	4.1	10.3	-317	-116.6	-0.4	-0.1	-3.9	-0.6
<b>Second Quintile</b>	78.0	0.0	2.4	15.3	-462	-31.5	-0.6	1.5	-2.3	4.9
<b>Middle Quintile</b>	92.1	0.0	1.8	19.4	-584	-11.0	-0.5	7.0	-1.6	12.7
<b>Fourth Quintile</b>	99.4	0.0	1.4	24.8	-747	-6.2	-0.3	16.9	-1.2	17.5
<b>Top Quintile</b>	100.0	0.0	0.6	29.8	-897	-1.8	1.9	74.5	-0.4	24.7
<b>All</b>	86.1	0.0	1.2	100.0	-603	-4.3	0.0	100.0	-0.9	20.3
<b>Addendum</b>										
<b>80-90</b>	99.9	0.0	1.1	14.5	-876	-4.1	0.0	15.4	-0.9	20.0
<b>90-95</b>	100.0	0.0	0.8	7.6	-913	-2.7	0.2	12.2	-0.6	22.2
<b>95-99</b>	100.0	0.0	0.5	6.1	-926	-1.5	0.5	18.2	-0.4	24.3
<b>Top 1 Percent</b>	100.0	0.0	0.1	1.5	-909	-0.2	1.2	28.8	-0.1	30.1
<b>Top 0.1 Percent</b>	100.0	0.0	0.0	0.2	-904	-0.1	0.6	14.6	0.0	32.7

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

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