

**Table T08-0006**  
**Reduce 15 Percent Individual Income Tax Rate to 14 Percent Under Pre-EGTRRA Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2008<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>	2.3	0.0	0.0	0.0	0	0.0	4.2
<b>10-20</b>	32.2	0.8	0.1	1.6	-16	-0.1	5.3
<b>20-30</b>	63.0	1.5	0.3	5.6	-68	-0.3	11.3
<b>30-40</b>	79.7	1.0	0.5	8.7	-141	-0.4	15.4
<b>40-50</b>	88.3	0.6	0.6	10.5	-212	-0.5	17.9
<b>50-75</b>	91.0	1.0	0.6	24.4	-283	-0.4	20.1
<b>75-100</b>	83.2	2.7	0.5	17.9	-332	-0.4	22.0
<b>100-200</b>	76.3	0.6	0.3	24.2	-347	-0.3	25.1
<b>200-500</b>	52.8	0.2	0.1	5.3	-277	-0.1	28.1
<b>500-1,000</b>	75.5	0.1	0.1	1.2	-386	-0.1	30.4
<b>More than 1,000</b>	78.4	0.1	0.0	0.7	-399	0.0	35.0
<b>All</b>	61.2	0.9	0.3	100.0	-166	-0.2	23.6

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

Number of AMT Taxpayers (millions). Baseline: 12.3 Proposal: 15.5

(1) Calendar year. Baseline is pre-EGTRRA law. Proposal would reduce the 15 percent statutory individual income tax rate to 14 percent, effective 01/01/08.

(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.

**Table T08-0006**  
**Reduce 15 Percent Individual Income Tax Rate to 14 Percent Under Pre-EGTRRA Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2008 <sup>1</sup>**  
**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
Less than 10	2.3	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	4.2
10-20	32.2	0.8	0.1	1.6	-16	-1.9	0.0	0.8	-0.1	5.3
20-30	63.0	1.5	0.3	5.6	-68	-2.3	0.0	2.4	-0.3	11.3
30-40	79.7	1.0	0.5	8.7	-141	-2.4	-0.1	3.5	-0.4	15.4
40-50	88.3	0.6	0.6	10.5	-212	-2.5	-0.1	4.2	-0.5	17.9
50-75	91.0	1.0	0.6	24.4	-283	-2.2	-0.1	11.2	-0.4	20.1
75-100	83.2	2.7	0.5	17.9	-332	-1.7	-0.1	10.7	-0.4	22.0
100-200	76.3	0.6	0.3	24.2	-347	-1.0	0.0	24.8	-0.3	25.1
200-500	52.8	0.2	0.1	5.3	-277	-0.3	0.1	16.2	-0.1	28.1
500-1,000	75.5	0.1	0.1	1.2	-386	-0.2	0.1	6.8	-0.1	30.4
More than 1,000	78.4	0.1	0.0	0.7	-399	0.0	0.2	19.1	0.0	35.0
All	61.2	0.9	0.3	100.0	-166	-1.0	0.0	100.0	-0.2	23.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2008 <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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	18,164	12.0	5,810	242	5,569	4.2	1.0	1.3	0.2
10-20	25,275	16.8	15,564	840	14,725	5.4	3.7	4.6	0.8
20-30	20,401	13.5	25,811	2,993	22,818	11.6	5.0	5.8	2.4
30-40	15,452	10.2	36,328	5,749	30,579	15.8	5.3	5.9	3.5
40-50	12,430	8.2	46,686	8,573	38,112	18.4	5.5	5.9	4.2
50-75	21,580	14.3	64,226	13,199	51,027	20.6	13.2	13.7	11.3
75-100	13,470	8.9	90,172	20,153	70,019	22.4	11.5	11.8	10.8
100-200	17,502	11.6	140,584	35,590	104,994	25.3	23.3	22.9	24.8
200-500	4,784	3.2	299,277	84,422	214,855	28.2	13.6	12.8	16.1
500-1,000	793	0.5	707,298	215,143	492,155	30.4	5.3	4.9	6.8
More than 1,000	421	0.3	3,228,212	1,130,187	2,098,026	35.0	12.9	11.0	18.9
All	150,867	100.0	69,872	16,676	53,196	23.9	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 12.3 Proposal: 15.5

(1) Calendar year. Baseline is pre-EGTRRA law. Proposal would reduce the 15 percent statutory individual income tax rate to 14 percent, effective 01/01/08.

(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.