

Table T08-0120
Senator McCain's Proposed Exemption Increase, Fully Phased In
Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
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 (%) Points)	Under the Proposal
Lowest Quintile	0.5	0.0	0.0	0.1	0	0.0	4.6
Second Quintile	18.6	0.1	0.2	8.7	-58	-0.2	10.5
Middle Quintile	32.8	0.2	0.4	23.7	-173	-0.3	16.5
Fourth Quintile	40.8	0.1	0.4	32.3	-282	-0.3	19.0
Top Quintile	36.4	0.2	0.2	35.3	-348	-0.1	25.3
All	23.0	0.1	0.3	100.0	-146	-0.2	21.0
Addendum							
80-90	45.8	0.2	0.4	22.6	-440	-0.3	21.2
90-95	39.7	0.4	0.3	9.4	-379	-0.2	22.7
95-99	11.6	0.1	0.0	2.0	-97	0.0	25.2
Top 1 Percent	23.5	0.0	0.0	1.3	-257	0.0	29.6
Top 0.1 Percent	29.2	0.0	0.0	0.2	-331	0.0	31.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2008 dollars): 20% \$18,981, 40% \$37,595, 60% \$66,354, 80% \$111,645, 90% \$160,972, 95% \$226,918, 99% \$603,402, 99.9% \$2,871,682.

(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.

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Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
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	0.5	0.0	0.0	0.1	0	-0.1	0.0	0.8	0.0	4.6
Second Quintile	18.6	0.1	0.2	8.7	-58	-1.9	0.0	4.1	-0.2	10.5
Middle Quintile	32.8	0.2	0.4	23.7	-173	-2.0	-0.1	10.8	-0.3	16.5
Fourth Quintile	40.8	0.1	0.4	32.3	-282	-1.7	-0.1	17.8	-0.3	19.0
Top Quintile	36.4	0.2	0.2	35.3	-348	-0.5	0.3	66.4	-0.1	25.3
All	23.0	0.1	0.3	100.0	-146	-0.9	0.0	100.0	-0.2	21.0
Addendum										
80-90	45.8	0.2	0.4	22.6	-440	-1.5	-0.1	13.6	-0.3	21.2
90-95	39.7	0.4	0.3	9.4	-379	-0.9	0.0	10.0	-0.2	22.7
95-99	11.6	0.1	0.0	2.0	-97	-0.1	0.1	16.1	0.0	25.2
Top 1 Percent	23.5	0.0	0.0	1.3	-257	-0.1	0.2	26.6	0.0	29.6
Top 0.1 Percent	29.2	0.0	0.0	0.2	-331	0.0	0.1	13.5	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2009¹

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	39,102	26.0	10,744	489	10,255	4.6	3.7	4.5	0.8
Second Quintile	32,942	21.9	28,057	2,995	25,061	10.7	8.2	9.3	4.1
Middle Quintile	30,075	20.0	51,924	8,724	43,200	16.8	13.8	14.6	11.0
Fourth Quintile	25,152	16.7	87,992	17,033	70,959	19.4	19.6	20.0	17.9
Top Quintile	22,287	14.8	279,244	71,003	208,241	25.4	55.0	52.0	66.1
All	150,241	100.0	75,289	15,934	59,355	21.2	100.0	100.0	100.0
Addendum									
80-90	11,264	7.5	135,143	29,150	105,993	21.6	13.5	13.4	13.7
90-95	5,439	3.6	192,266	44,013	148,253	22.9	9.3	9.0	10.0
95-99	4,454	3.0	340,985	85,976	255,009	25.2	13.4	12.7	16.0
Top 1 Percent	1,131	0.8	1,889,937	558,786	1,331,151	29.6	18.9	16.9	26.4
Top 0.1 Percent	114	0.1	8,929,410	2,799,243	6,130,167	31.4	9.0	7.8	13.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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

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(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 T08-0120
Senator McCain's Proposed Exemption Increase, Fully Phased In
Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
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	0.7	0.0	0.0	0.1	-1	-0.6	0.0	0.1	0.0	0.9
Second Quintile	25.8	0.2	0.4	14.4	-102	-4.7	-0.1	2.7	-0.4	8.2
Middle Quintile	36.5	0.1	0.6	29.4	-221	-3.1	-0.2	8.6	-0.5	15.1
Fourth Quintile	34.3	0.1	0.4	33.1	-255	-1.8	-0.2	17.1	-0.3	18.5
Top Quintile	20.8	0.1	0.1	23.1	-178	-0.3	0.4	71.4	-0.1	25.3
All	23.0	0.1	0.3	100.0	-146	-0.9	0.0	100.0	-0.2	21.0
Addendum										
80-90	28.4	0.2	0.3	16.2	-248	-1.0	0.0	15.1	-0.2	21.6
90-95	17.6	0.1	0.1	4.5	-137	-0.4	0.1	11.4	-0.1	23.0
95-99	6.3	0.0	0.0	1.3	-50	-0.1	0.2	17.2	0.0	24.9
Top 1 Percent	17.1	0.0	0.0	1.1	-181	0.0	0.2	27.7	0.0	29.4
Top 0.1 Percent	19.3	0.0	0.0	0.1	-206	0.0	0.1	14.0	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	32,429	21.6	10,059	96	9,963	1.0	2.9	3.6	0.1
Second Quintile	30,972	20.6	25,261	2,170	23,091	8.6	6.9	8.0	2.8
Middle Quintile	29,186	19.4	46,073	7,194	38,879	15.6	11.9	12.7	8.8
Fourth Quintile	28,494	19.0	76,773	14,482	62,290	18.9	19.3	19.9	17.2
Top Quintile	28,475	19.0	235,357	59,634	175,722	25.3	59.3	56.1	70.9
All	150,241	100.0	75,289	15,934	59,355	21.2	100.0	100.0	100.0
Addendum									
80-90	14,316	9.5	115,555	25,184	90,370	21.8	14.6	14.5	15.1
90-95	7,191	4.8	163,422	37,665	125,758	23.1	10.4	10.1	11.3
95-99	5,606	3.7	292,160	72,895	219,266	25.0	14.5	13.8	17.1
Top 1 Percent	1,362	0.9	1,640,591	483,156	1,157,435	29.5	19.8	17.7	27.5
Top 0.1 Percent	135	0.1	7,862,950	2,461,453	5,401,496	31.3	9.4	8.2	13.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

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(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

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(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

(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 T08-0120
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Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Single Tax Units

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	0.2	0.0	0.0	0.7	0	0.0	0.0	1.5	0.0	6.5
Second Quintile	3.3	0.0	0.1	36.0	-13	-0.6	0.0	5.2	-0.1	10.8
Middle Quintile	2.6	0.0	0.1	29.0	-13	-0.2	0.0	12.9	0.0	17.8
Fourth Quintile	1.6	0.0	0.0	21.7	-11	-0.1	0.0	20.7	0.0	20.9
Top Quintile	1.2	0.0	0.0	12.6	-8	0.0	0.0	59.5	0.0	26.3
All	1.7	0.0	0.0	100.0	-8	-0.1	0.0	100.0	0.0	21.3
Addendum										
80-90	1.5	0.0	0.0	8.2	-10	-0.1	0.0	15.3	0.0	23.6
90-95	1.0	0.0	0.0	2.9	-7	0.0	0.0	10.6	0.0	24.3
95-99	0.7	0.0	0.0	1.2	-4	0.0	0.0	13.7	0.0	25.0
Top 1 Percent	0.9	0.0	0.0	0.3	-6	0.0	0.0	19.9	0.0	31.6
Top 0.1 Percent	1.0	0.0	0.0	0.0	-8	0.0	0.0	9.9	0.0	34.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	17,979	27.7	7,650	495	7,155	6.5	5.0	6.0	1.5
Second Quintile	14,788	22.8	19,082	2,076	17,006	10.9	10.3	11.7	5.3
Middle Quintile	12,570	19.4	33,514	5,969	27,545	17.8	15.4	16.1	12.9
Fourth Quintile	10,552	16.2	54,870	11,455	43,415	20.9	21.2	21.3	20.7
Top Quintile	8,719	13.4	151,432	39,796	111,636	26.3	48.3	45.3	59.5
All	64,958	100.0	42,053	8,978	33,075	21.4	100.0	100.0	100.0
Addendum									
80-90	4,605	7.1	82,197	19,368	62,829	23.6	13.9	13.5	15.3
90-95	2,193	3.4	116,199	28,277	87,922	24.3	9.3	9.0	10.6
95-99	1,584	2.4	201,882	50,380	151,503	25.0	11.7	11.2	13.7
Top 1 Percent	338	0.5	1,087,643	343,505	744,138	31.6	13.5	11.7	19.9
Top 0.1 Percent	30	0.1	5,550,592	1,927,870	3,622,722	34.7	6.1	5.0	9.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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

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(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 T08-0120
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Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Married Tax Units Filing Jointly

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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.7
Second Quintile	32.3	0.2	0.5	7.5	-139	-5.3	-0.1	1.3	-0.4	7.7
Middle Quintile	54.1	0.2	0.7	26.0	-374	-4.4	-0.2	5.5	-0.6	13.6
Fourth Quintile	50.8	0.1	0.5	37.3	-399	-2.4	-0.2	14.9	-0.4	17.4
Top Quintile	28.9	0.2	0.1	29.3	-256	-0.4	0.5	78.1	-0.1	25.0
All	36.2	0.1	0.3	100.0	-267	-1.0	0.0	100.0	-0.2	21.7
Addendum										
80-90	40.8	0.2	0.4	20.4	-371	-1.3	-0.1	15.1	-0.3	20.9
90-95	25.0	0.2	0.1	5.8	-197	-0.5	0.1	12.2	-0.1	22.5
95-99	8.1	0.1	0.0	1.6	-67	-0.1	0.2	19.4	0.0	24.9
Top 1 Percent	22.5	0.0	0.0	1.5	-244	-0.1	0.3	31.4	0.0	29.0
Top 0.1 Percent	24.8	0.0	0.0	0.2	-271	0.0	0.2	15.6	0.0	30.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	6,621	11.1	13,343	99	13,244	0.7	1.2	1.5	0.0	
Second Quintile	8,578	14.4	32,397	2,622	29,776	8.1	3.7	4.4	1.4	
Middle Quintile	11,027	18.5	59,438	8,431	51,007	14.2	8.8	9.7	5.7	
Fourth Quintile	14,829	24.9	93,284	16,663	76,621	17.9	18.6	19.6	15.1	
Top Quintile	18,163	30.5	278,505	69,806	208,699	25.1	68.0	65.2	77.6	
All	59,479	100.0	125,155	27,457	97,698	21.9	100.0	100.0	100.0	
Addendum										
80-90	8,717	14.7	134,567	28,441	106,127	21.1	15.8	15.9	15.2	
90-95	4,700	7.9	186,829	42,298	144,531	22.6	11.8	11.7	12.2	
95-99	3,780	6.4	332,302	82,935	249,366	25.0	16.9	16.2	19.2	
Top 1 Percent	965	1.6	1,813,978	525,858	1,288,121	29.0	23.5	21.4	31.1	
Top 0.1 Percent	97	0.2	8,464,842	2,594,635	5,870,206	30.7	11.1	9.8	15.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Head of Household Tax Units

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	2.3	0.0	0.0	0.3	-2	0.2	-0.2	-5.5	0.0	-6.9
Second Quintile	64.2	0.4	0.9	32.4	-240	-13.7	-1.0	8.8	-0.8	5.1
Middle Quintile	85.5	0.1	1.0	39.0	-425	-5.7	-0.5	28.0	-0.9	14.4
Fourth Quintile	79.1	0.1	0.8	22.0	-471	-3.2	0.3	28.7	-0.6	19.0
Top Quintile	48.2	0.7	0.2	6.4	-299	-0.7	1.4	40.0	-0.2	24.5
All	49.2	0.2	0.7	100.0	-228	-4.1	0.0	100.0	-0.6	13.2
Addendum										
80-90	59.7	1.1	0.4	5.1	-372	-1.5	0.4	14.4	-0.3	22.2
90-95	32.3	0.0	0.2	0.8	-192	-0.6	0.2	5.9	-0.1	23.3
95-99	19.2	0.0	0.1	0.3	-114	-0.2	0.3	8.6	0.0	24.3
Top 1 Percent	32.7	0.0	0.0	0.2	-248	-0.1	0.5	11.1	0.0	29.2
Top 0.1 Percent	44.0	0.0	0.0	0.0	-321	0.0	0.2	5.4	0.0	31.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	7,558	32.5	12,952	-892	13,845	-6.9	10.4	12.9	-5.2	
Second Quintile	7,198	30.9	29,592	1,749	27,843	5.9	22.7	24.7	9.7	
Middle Quintile	4,877	20.9	49,284	7,533	41,751	15.3	25.6	25.1	28.4	
Fourth Quintile	2,482	10.7	75,584	14,800	60,785	19.6	20.0	18.6	28.4	
Top Quintile	1,128	4.8	179,427	44,193	135,234	24.6	21.5	18.8	38.6	
All	23,292	100.0	40,351	5,551	34,801	13.8	100.0	100.0	100.0	
Addendum										
80-90	730	3.1	109,967	24,826	85,141	22.6	8.6	7.7	14.0	
90-95	209	0.9	149,881	35,057	114,824	23.4	3.3	3.0	5.7	
95-99	158	0.7	276,495	67,225	209,269	24.3	4.7	4.1	8.2	
Top 1 Percent	31	0.1	1,510,258	441,664	1,068,594	29.2	5.0	4.1	10.7	
Top 0.1 Percent	3	0.0	7,770,538	2,411,522	5,359,016	31.0	2.3	1.8	5.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

(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 T08-0120
Senator McCain's Proposed Exemption Increase, Fully Phased In
Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Tax Units with Children

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	1.1	0.0	0.0	0.1	-1	0.1	0.0	-1.3	0.0	-8.7
Second Quintile	68.6	0.5	0.9	13.5	-276	-13.5	-0.3	1.9	-0.8	5.3
Middle Quintile	93.5	0.3	1.1	29.1	-579	-6.2	-0.4	9.9	-1.0	14.4
Fourth Quintile	97.0	0.2	0.9	33.6	-731	-3.8	-0.3	19.2	-0.7	18.3
Top Quintile	69.6	0.4	0.3	23.8	-601	-0.8	1.0	70.1	-0.2	25.7
All	66.1	0.3	0.6	100.0	-432	-2.2	0.0	100.0	-0.5	20.1
Addendum										
80-90	91.2	0.5	0.7	16.7	-807	-2.4	0.0	15.4	-0.5	21.6
90-95	62.4	0.4	0.3	4.6	-488	-1.0	0.1	10.7	-0.2	23.2
95-99	21.4	0.2	0.1	1.3	-172	-0.2	0.4	17.5	0.0	26.1
Top 1 Percent	60.6	0.0	0.0	1.2	-646	-0.1	0.6	26.5	0.0	30.1
Top 0.1 Percent	69.4	0.0	0.0	0.1	-745	0.0	0.3	12.8	0.0	31.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	9,648	20.1	14,150	-1,229	15,379	-8.7	3.0	4.1	-1.3	
Second Quintile	10,138	21.1	33,628	2,043	31,584	6.1	7.4	8.8	2.2	
Middle Quintile	10,440	21.7	61,157	9,357	51,800	15.3	13.9	14.9	10.4	
Fourth Quintile	9,539	19.8	101,199	19,290	81,909	19.1	21.1	21.5	19.5	
Top Quintile	8,194	17.0	306,666	79,460	227,205	25.9	54.8	51.2	69.1	
All	48,094	100.0	95,281	19,601	75,680	20.6	100.0	100.0	100.0	
Addendum										
80-90	4,292	8.9	153,064	33,859	119,205	22.1	14.3	14.1	15.4	
90-95	1,951	4.1	218,471	51,219	167,252	23.4	9.3	9.0	10.6	
95-99	1,572	3.3	392,713	102,766	289,948	26.2	13.5	12.5	17.1	
Top 1 Percent	379	0.8	2,144,629	645,015	1,499,614	30.1	17.7	15.6	25.9	
Top 0.1 Percent	37	0.1	10,295,847	3,203,050	7,092,796	31.1	8.3	7.2	12.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% \$12,921, 40% \$24,393, 60% \$41,924, 80% \$67,748, 90% \$96,780, 95% \$137,143, 99% \$359,711, 99.9% \$1,730,730.

(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 T08-0120
Senator McCain's Proposed Exemption Increase, Fully Phased In
Against a Current Law Plus AMT Patch Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Elderly Tax Units

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	0.1	0.0	0.0	0.2	0	-0.1	0.0	0.3	0.0	2.3
Second Quintile	1.4	0.0	0.0	6.1	-4	-0.4	0.0	1.7	0.0	4.1
Middle Quintile	7.4	0.0	0.1	32.3	-34	-1.2	0.0	3.0	-0.1	6.7
Fourth Quintile	5.7	0.0	0.1	34.1	-29	-0.3	0.0	11.3	0.0	12.2
Top Quintile	3.3	0.0	0.0	27.3	-22	0.0	0.1	83.6	0.0	23.9
All	3.2	0.0	0.0	100.0	-16	-0.1	0.0	100.0	0.0	18.5
Addendum										
80-90	4.2	0.0	0.0	16.4	-30	-0.2	0.0	11.0	0.0	16.7
90-95	3.5	0.0	0.0	7.1	-22	-0.1	0.0	10.3	0.0	19.0
95-99	2.0	0.0	0.0	3.0	-10	0.0	0.0	20.0	0.0	22.6
Top 1 Percent	1.4	0.0	0.0	0.8	-10	0.0	0.1	42.4	0.0	29.9
Top 0.1 Percent	1.5	0.0	0.0	0.1	-11	0.0	0.0	21.6	0.0	32.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

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	5,675	19.8	9,958	225	9,733	2.3	2.6	3.1	0.3
Second Quintile	7,562	26.4	21,260	875	20,385	4.1	7.4	8.7	1.7
Middle Quintile	4,371	15.3	41,175	2,799	38,376	6.8	8.3	9.5	3.1
Fourth Quintile	5,321	18.6	69,880	8,541	61,339	12.2	17.2	18.5	11.4
Top Quintile	5,689	19.9	246,281	58,835	187,446	23.9	64.6	60.3	83.6
All	28,639	100.0	75,721	13,987	61,734	18.5	100.0	100.0	100.0
Addendum									
80-90	2,500	8.7	105,353	17,575	87,778	16.7	12.1	12.4	11.0
90-95	1,471	5.1	147,862	28,158	119,705	19.0	10.0	10.0	10.3
95-99	1,329	4.6	266,234	60,111	206,124	22.6	16.3	15.5	19.9
Top 1 Percent	391	1.4	1,451,124	434,132	1,016,992	29.9	26.1	22.5	42.3
Top 0.1 Percent	40	0.1	6,768,885	2,184,664	4,584,221	32.3	12.4	10.3	21.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 5.8

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2007 AMT patch. The AMT patch allows personal nonrefundable credits against the AMT and increases the AMT exemption amounts. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

(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

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(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.

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