

**Table T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2009<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 (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	0.5	0.0	0.0	0.1	0	0.0	4.6
<b>Second Quintile</b>	18.6	0.1	0.2	7.3	-58	-0.2	10.5
<b>Middle Quintile</b>	32.8	0.2	0.4	20.0	-173	-0.3	16.5
<b>Fourth Quintile</b>	41.2	0.0	0.4	28.1	-291	-0.3	19.0
<b>Top Quintile</b>	47.7	0.0	0.3	44.5	-519	-0.2	24.7
<b>All</b>	24.8	0.1	0.3	100.0	-173	-0.2	20.6
<b>Addendum</b>							
<b>80-90</b>	47.5	0.1	0.5	20.9	-483	-0.4	21.2
<b>90-95</b>	49.8	0.0	0.4	12.1	-577	-0.3	22.4
<b>95-99</b>	47.1	0.0	0.2	9.5	-557	-0.2	23.9
<b>Top 1 Percent</b>	42.4	0.0	0.0	2.0	-455	0.0	28.9
<b>Top 0.1 Percent</b>	40.8	0.0	0.0	0.2	-436	0.0	30.9

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

Number of AMT Taxpayers (millions): Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. 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.

**Table T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2009<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
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	7.3	-58	-1.9	0.0	4.2	-0.2	10.5
Middle Quintile	32.8	0.2	0.4	20.0	-173	-2.0	-0.1	11.0	-0.3	16.5
Fourth Quintile	41.2	0.0	0.4	28.1	-291	-1.7	-0.1	18.0	-0.3	19.0
Top Quintile	47.7	0.0	0.3	44.5	-519	-0.8	0.2	65.9	-0.2	24.7
All	24.8	0.1	0.3	100.0	-173	-1.1	0.0	100.0	-0.2	20.6
<b>Addendum</b>										
80-90	47.5	0.1	0.5	20.9	-483	-1.7	-0.1	13.8	-0.4	21.2
90-95	49.8	0.0	0.4	12.1	-577	-1.3	0.0	10.0	-0.3	22.4
95-99	47.1	0.0	0.2	9.5	-557	-0.7	0.1	15.5	-0.2	23.9
Top 1 Percent	42.4	0.0	0.0	2.0	-455	-0.1	0.3	26.5	0.0	28.9
Top 0.1 Percent	40.8	0.0	0.0	0.2	-436	0.0	0.2	13.5	0.0	30.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2009<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							
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	9.2	4.2
Middle Quintile	30,075	20.0	51,924	8,723	43,201	16.8	13.8	14.5	11.1
Fourth Quintile	25,152	16.7	87,992	17,024	70,968	19.4	19.6	19.9	18.1
Top Quintile	22,287	14.8	279,244	69,484	209,760	24.9	55.0	52.2	65.6
All	150,241	100.0	75,289	15,707	59,582	20.9	100.0	100.0	100.0
<b>Addendum</b>									
80-90	11,264	7.5	135,143	29,099	106,044	21.5	13.5	13.3	13.9
90-95	5,439	3.6	192,266	43,622	148,644	22.7	9.3	9.0	10.1
95-99	4,454	3.0	340,985	81,981	259,004	24.0	13.4	12.9	15.5
Top 1 Percent	1,131	0.8	1,889,937	546,959	1,342,978	28.9	18.9	17.0	26.2
Top 0.1 Percent	114	0.1	8,929,410	2,759,497	6,169,913	30.9	9.0	7.9	13.3

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. 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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(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.

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(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 T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<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
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	12.2	-102	-4.7	-0.1	2.7	-0.4	8.2
Middle Quintile	36.6	0.1	0.6	25.1	-224	-3.1	-0.2	8.7	-0.5	15.1
Fourth Quintile	34.8	0.0	0.4	29.8	-272	-1.9	-0.1	17.3	-0.4	18.5
Top Quintile	29.5	0.0	0.2	32.9	-301	-0.5	0.4	70.9	-0.1	24.7
All	24.8	0.1	0.3	100.0	-173	-1.1	0.0	100.0	-0.2	20.6
<b>Addendum</b>										
80-90	30.9	0.0	0.3	16.9	-307	-1.2	0.0	15.2	-0.3	21.5
90-95	27.8	0.0	0.2	8.2	-296	-0.8	0.0	11.4	-0.2	22.7
95-99	28.4	0.0	0.1	6.4	-295	-0.4	0.1	16.8	-0.1	23.9
Top 1 Percent	27.9	0.0	0.0	1.5	-279	-0.1	0.3	27.5	0.0	28.8
Top 0.1 Percent	27.5	0.0	0.0	0.1	-275	0.0	0.2	14.0	0.0	30.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
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	2.9
Middle Quintile	29,186	19.4	46,073	7,194	38,880	15.6	11.9	12.7	8.9
Fourth Quintile	28,494	19.0	76,773	14,473	62,300	18.9	19.3	19.8	17.5
Top Quintile	28,475	19.0	235,357	58,447	176,910	24.8	59.3	56.3	70.5
All	150,241	100.0	75,289	15,707	59,582	20.9	100.0	100.0	100.0
<b>Addendum</b>									
80-90	14,316	9.5	115,555	25,130	90,425	21.8	14.6	14.5	15.3
90-95	7,191	4.8	163,422	37,310	126,112	22.8	10.4	10.1	11.4
95-99	5,606	3.7	292,160	70,105	222,055	24.0	14.5	13.9	16.7
Top 1 Percent	1,362	0.9	1,640,591	472,248	1,168,343	28.8	19.8	17.8	27.3
Top 0.1 Percent	135	0.1	7,862,950	2,425,583	5,437,366	30.9	9.4	8.2	13.9

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. 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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(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.

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**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Single Tax Units**

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
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	34.0	-13	-0.7	0.0	5.3	-0.1	10.8
Middle Quintile	2.7	0.0	0.1	27.7	-13	-0.2	0.0	13.0	0.0	17.8
Fourth Quintile	1.7	0.0	0.0	21.3	-12	-0.1	0.0	20.9	0.0	20.9
Top Quintile	1.5	0.0	0.0	16.3	-11	0.0	0.0	59.3	0.0	26.0
All	1.8	0.0	0.0	100.0	-9	-0.1	0.0	100.0	0.0	21.2
<b>Addendum</b>										
80-90	1.6	0.0	0.0	9.1	-11	-0.1	0.0	15.4	0.0	23.5
90-95	1.2	0.0	0.0	3.7	-10	0.0	0.0	10.7	0.0	24.3
95-99	1.7	0.0	0.0	3.1	-11	0.0	0.0	13.6	0.0	24.5
Top 1 Percent	1.4	0.0	0.0	0.5	-9	0.0	0.0	19.6	0.0	30.9
Top 0.1 Percent	1.5	0.0	0.0	0.1	-10	0.0	0.0	9.8	0.0	34.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
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	13.0
Fourth Quintile	10,552	16.2	54,870	11,453	43,417	20.9	21.2	21.3	20.9
Top Quintile	8,719	13.4	151,432	39,311	112,121	26.0	48.3	45.4	59.2
All	64,958	100.0	42,053	8,912	33,140	21.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,605	7.1	82,197	19,363	62,834	23.6	13.9	13.4	15.4
90-95	2,193	3.4	116,199	28,217	87,981	24.3	9.3	9.0	10.7
95-99	1,584	2.4	201,882	49,508	152,374	24.5	11.7	11.2	13.6
Top 1 Percent	338	0.5	1,087,643	335,536	752,107	30.9	13.5	11.8	19.6
Top 0.1 Percent	30	0.1	5,550,592	1,901,798	3,648,794	34.3	6.1	5.1	9.8

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. 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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(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 T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

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
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	6.1	-139	-5.3	-0.1	1.3	-0.4	7.7
Middle Quintile	54.2	0.2	0.7	21.4	-376	-4.5	-0.2	5.6	-0.6	13.6
Fourth Quintile	51.3	0.1	0.6	32.0	-419	-2.5	-0.2	15.2	-0.5	17.4
Top Quintile	41.0	0.0	0.2	40.5	-432	-0.6	0.5	77.7	-0.2	24.4
All	40.0	0.1	0.3	100.0	-326	-1.2	0.0	100.0	-0.3	21.3
<b>Addendum</b>										
80-90	43.8	0.0	0.4	20.3	-451	-1.6	-0.1	15.4	-0.3	20.8
90-95	39.1	0.0	0.3	10.4	-427	-1.0	0.0	12.3	-0.2	22.2
95-99	38.1	0.0	0.2	8.0	-408	-0.5	0.1	18.8	-0.1	23.8
Top 1 Percent	36.4	0.0	0.0	1.9	-373	-0.1	0.4	31.3	0.0	28.3
Top 0.1 Percent	35.0	0.0	0.0	0.2	-360	0.0	0.2	15.7	0.0	30.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
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	9.6	5.8
Fourth Quintile	14,829	24.9	93,284	16,654	76,631	17.9	18.6	19.5	15.4
Top Quintile	18,163	30.5	278,505	68,298	210,207	24.5	68.0	65.4	77.3
All	59,479	100.0	125,155	26,994	98,161	21.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	8,717	14.7	134,567	28,373	106,194	21.1	15.8	15.9	15.4
90-95	4,700	7.9	186,829	41,835	144,994	22.4	11.8	11.7	12.3
95-99	3,780	6.4	332,302	79,399	252,903	23.9	16.9	16.4	18.7
Top 1 Percent	965	1.6	1,813,978	514,202	1,299,777	28.4	23.5	21.5	30.9
Top 0.1 Percent	97	0.2	8,464,842	2,557,191	5,907,651	30.2	11.1	9.8	15.5

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. Proposal increases dependent exemption to \$7,000 in 2016 dollars (approximately \$6,000 in 2009).

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**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

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
Lowest Quintile	2.3	0.0	0.0	0.3	-2	0.2	-0.3	-5.5	0.0	-6.9
Second Quintile	64.2	0.4	0.9	29.9	-240	-13.7	-1.0	8.9	-0.8	5.1
Middle Quintile	85.7	0.1	1.0	36.8	-435	-5.8	-0.4	28.3	-0.9	14.4
Fourth Quintile	81.5	0.0	0.9	22.9	-532	-3.6	0.3	28.9	-0.7	18.8
Top Quintile	68.7	0.0	0.4	10.1	-518	-1.2	1.3	39.3	-0.3	23.7
All	50.5	0.2	0.7	100.0	-248	-4.5	0.0	100.0	-0.6	13.0
<b>Addendum</b>										
80-90	70.7	0.0	0.6	6.7	-531	-2.2	0.4	14.4	-0.5	21.9
90-95	60.0	0.0	0.4	1.7	-461	-1.4	0.2	5.8	-0.3	22.5
95-99	71.9	0.0	0.3	1.5	-548	-0.9	0.3	8.1	-0.2	22.7
Top 1 Percent	63.4	0.0	0.0	0.2	-441	-0.1	0.5	11.0	0.0	28.6
Top 0.1 Percent	69.4	0.0	0.0	0.0	-464	0.0	0.2	5.4	0.0	30.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
Lowest Quintile	7,558	32.5	12,952	-892	13,845	-6.9	10.4	12.9	-5.3
Second Quintile	7,198	30.9	29,592	1,749	27,843	5.9	22.7	24.7	9.8
Middle Quintile	4,877	20.9	49,284	7,530	41,754	15.3	25.6	25.1	28.7
Fourth Quintile	2,482	10.7	75,584	14,771	60,814	19.5	20.0	18.6	28.7
Top Quintile	1,128	4.8	179,427	43,081	136,346	24.0	21.5	19.0	38.0
All	23,292	100.0	40,351	5,493	34,858	13.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	730	3.1	109,967	24,639	85,328	22.4	8.6	7.7	14.1
90-95	209	0.9	149,881	34,147	115,734	22.8	3.3	3.0	5.6
95-99	158	0.7	276,495	63,278	213,216	22.9	4.7	4.2	7.8
Top 1 Percent	31	0.1	1,510,258	431,900	1,078,359	28.6	5.0	4.2	10.5
Top 0.1 Percent	3	0.0	7,770,538	2,384,589	5,385,949	30.7	2.3	1.8	5.1

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

(1) Calendar year. Baseline is current law plus repeal of the individual AMT. 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 T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Tax Units with Children**

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
Lowest Quintile	1.1	0.0	0.0	0.0	-1	0.1	0.0	-1.3	0.0	-8.7
Second Quintile	68.6	0.5	0.9	11.3	-276	-13.5	-0.3	2.0	-0.8	5.3
Middle Quintile	93.7	0.2	1.1	24.8	-588	-6.3	-0.4	10.2	-1.0	14.3
Fourth Quintile	98.5	0.1	1.0	30.0	-779	-4.0	-0.3	19.6	-0.8	18.3
Top Quintile	98.9	0.0	0.4	33.8	-1,020	-1.3	1.0	69.5	-0.3	24.9
All	71.4	0.2	0.7	100.0	-514	-2.7	0.0	100.0	-0.5	19.7
<b>Addendum</b>										
80-90	99.1	0.0	0.8	17.3	-996	-3.0	-0.1	15.6	-0.7	21.4
90-95	99.2	0.0	0.6	8.4	-1,070	-2.1	0.1	10.6	-0.5	22.4
95-99	98.1	0.0	0.4	6.5	-1,029	-1.1	0.3	16.7	-0.3	24.4
Top 1 Percent	98.2	0.1	0.1	1.5	-992	-0.2	0.7	26.6	-0.1	29.5
Top 0.1 Percent	98.7	0.0	0.0	0.2	-994	0.0	0.3	13.0	0.0	30.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
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	9,355	51,802	15.3	13.9	14.8	10.6
Fourth Quintile	9,539	19.8	101,199	19,266	81,932	19.0	21.1	21.4	19.9
Top Quintile	8,194	17.0	306,666	77,462	229,204	25.3	54.8	51.4	68.5
All	48,094	100.0	95,281	19,255	76,026	20.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,292	8.9	153,064	33,703	119,360	22.0	14.3	14.0	15.6
90-95	1,951	4.1	218,471	50,073	168,399	22.9	9.3	9.0	10.6
95-99	1,572	3.3	392,713	96,909	295,805	24.7	13.5	12.7	16.5
Top 1 Percent	379	0.8	2,144,629	633,749	1,510,881	29.6	17.7	15.7	25.9
Top 0.1 Percent	37	0.1	10,295,847	3,162,286	7,133,561	30.7	8.3	7.2	12.6

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

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 repeal of the individual AMT. 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 T08-0122**  
**Senator McCain's Proposed Exemption Increase, Fully Phased In**  
**Against a Current Law Plus AMT Repeal Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

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
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	5.5	-4	-0.4	0.0	1.7	0.0	4.1
Middle Quintile	7.4	0.0	0.1	29.2	-34	-1.2	0.0	3.1	-0.1	6.7
Fourth Quintile	5.7	0.0	0.1	31.4	-30	-0.4	0.0	11.5	0.0	12.2
Top Quintile	4.2	0.0	0.0	33.8	-30	-0.1	0.1	83.3	0.0	23.4
All	3.4	0.0	0.0	100.0	-18	-0.1	0.0	100.0	0.0	18.1
<b>Addendum</b>										
80-90	4.7	0.0	0.0	17.5	-36	-0.2	0.0	11.2	0.0	16.6
90-95	4.1	0.0	0.0	8.3	-29	-0.1	0.0	10.5	0.0	19.0
95-99	3.5	0.0	0.0	6.3	-24	0.0	0.0	19.8	0.0	22.0
Top 1 Percent	3.4	0.0	0.0	1.7	-22	0.0	0.1	41.9	0.0	29.0
Top 0.1 Percent	2.7	0.0	0.0	0.1	-18	0.0	0.0	21.6	0.0	31.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2009<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							
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	61,340	12.2	17.2	18.4	11.6
Top Quintile	5,689	19.9	246,281	57,588	188,693	23.4	64.6	60.5	83.3
All	28,639	100.0	75,721	13,740	61,982	18.1	100.0	100.0	100.0
<b>Addendum</b>									
80-90	2,500	8.7	105,353	17,566	87,787	16.7	12.1	12.4	11.2
90-95	1,471	5.1	147,862	28,108	119,755	19.0	10.0	9.9	10.5
95-99	1,329	4.6	266,234	58,567	207,668	22.0	16.3	15.5	19.8
Top 1 Percent	391	1.4	1,451,124	421,457	1,029,667	29.0	26.1	22.7	41.8
Top 0.1 Percent	40	0.1	6,768,885	2,144,465	4,624,420	31.7	12.4	10.3	21.6

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

Number of AMT Taxpayers (millions). Baseline: 0.0 Proposal: 0.0

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 repeal of the individual AMT. 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.