

Table T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹
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	0.0	100.0	-22.8	n/a	2,409	21.6	26.9
Second Quintile	1.6	98.4	-7.3	n/a	1,841	6.3	19.3
Middle Quintile	6.4	93.6	-3.1	n/a	1,334	2.5	21.6
Fourth Quintile	35.9	64.1	0.0	n/a	-1	0.0	22.1
Top Quintile	92.9	7.1	4.2	n/a	-8,803	-3.0	25.6
All	21.4	78.6	0.0	n/a	0	0.0	24.0
Addendum							
80-90	89.5	10.5	2.0	n/a	-2,071	-1.5	23.5
90-95	96.2	3.8	2.7	n/a	-3,998	-2.0	24.1
95-99	96.0	4.0	3.9	n/a	-9,880	-2.8	25.4
Top 1 Percent	97.8	2.2	7.1	n/a	-94,957	-4.8	28.0
Top 0.1 Percent	99.4	0.6	8.1	n/a	-499,049	-5.3	29.3

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

(1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$19,264, 40% \$38,201, 60% \$67,715, 80% \$114,258, 90% \$165,007, 95% \$232,495, 99% \$620,442, 99.9% \$2,957,751.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹
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	0.0	100.0	-22.8	n/a	2,409	409.1	3.3	4.1	21.6	26.9
Second Quintile	1.6	98.4	-7.3	n/a	1,841	48.7	2.1	6.5	6.3	19.3
Middle Quintile	6.4	93.6	-3.1	n/a	1,334	12.9	1.4	12.4	2.5	21.6
Fourth Quintile	35.9	64.1	0.0	n/a	-1	0.0	0.0	18.1	0.0	22.1
Top Quintile	92.9	7.1	4.2	n/a	-8,803	-10.5	-6.9	58.8	-3.0	25.6
All	21.4	78.6	0.0	n/a	0	0.0	0.0	100.0	0.0	24.0
Addendum										
80-90	89.5	10.5	2.0	n/a	-2,071	-5.9	-0.8	13.2	-1.5	23.5
90-95	96.2	3.8	2.7	n/a	-3,998	-7.6	-0.8	9.3	-2.0	24.1
95-99	96.0	4.0	3.9	n/a	-9,880	-9.8	-1.6	14.2	-2.8	25.4
Top 1 Percent	97.8	2.2	7.1	n/a	-94,957	-14.6	-3.8	22.2	-4.8	28.0
Top 0.1 Percent	99.4	0.6	8.1	n/a	-499,049	-15.3	-2.0	11.1	-5.3	29.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

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	39,491	26.0	11,166	589	10,577	5.3	3.7	4.6	0.8
Second Quintile	33,367	21.9	29,131	3,784	25,348	13.0	8.1	9.3	4.4
Middle Quintile	30,543	20.1	54,009	10,308	43,701	19.1	13.8	14.7	10.9
Fourth Quintile	25,544	16.8	91,878	20,342	71,536	22.1	19.6	20.1	18.1
Top Quintile	22,575	14.8	292,812	83,747	209,065	28.6	55.2	51.8	65.7
All	152,206	100.0	78,753	18,905	59,848	24.0	100.0	100.0	100.0
Addendum									
80-90	11,415	7.5	141,464	35,260	106,204	24.9	13.5	13.3	14.0
90-95	5,515	3.6	201,383	52,444	148,939	26.0	9.3	9.0	10.1
95-99	4,501	3.0	357,460	100,600	256,860	28.1	13.4	12.7	15.7
Top 1 Percent	1,143	0.8	1,990,331	652,471	1,337,859	32.8	19.0	16.8	25.9
Top 0.1 Percent	116	0.1	9,409,657	3,257,912	6,151,745	34.6	9.1	7.8	13.1

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$19,264, 40% \$38,201, 60% \$67,715, 80% \$114,258, 90% \$165,007, 95% \$232,495, 99% \$620,442, 99.9% \$2,957,751.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	99.5	-23.1	n/a	2,362	976.6	2.7	3.0	22.6	24.9
Second Quintile	3.8	96.2	-7.8	n/a	1,822	61.3	2.0	5.2	6.9	18.2
Middle Quintile	8.1	91.9	-3.6	n/a	1,399	16.2	1.4	10.3	2.9	20.9
Fourth Quintile	26.7	73.3	-0.7	n/a	461	2.7	0.5	17.8	0.6	22.1
Top Quintile	73.3	26.7	3.8	n/a	-6,628	-9.5	-6.6	63.5	-2.7	25.7
All	21.4	78.6	0.0	n/a	0	0.0	0.0	100.0	0.0	24.0
Addendum										
80-90	60.5	39.5	1.0	n/a	-932	-3.1	-0.5	14.6	-0.8	23.9
90-95	78.8	21.2	2.1	n/a	-2,682	-6.0	-0.7	10.6	-1.6	24.5
95-99	93.4	6.6	3.5	n/a	-7,781	-9.1	-1.5	15.3	-2.5	25.4
Top 1 Percent	96.2	3.8	7.1	n/a	-82,720	-14.7	-4.0	23.0	-4.8	27.9
Top 0.1 Percent	99.3	0.7	8.2	n/a	-444,716	-15.5	-2.1	11.5	-5.4	29.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	32,821	21.6	10,461	242	10,219	2.3	2.9	3.7	0.3	
Second Quintile	31,406	20.6	26,284	2,971	23,312	11.3	6.9	8.0	3.2	
Middle Quintile	29,601	19.5	47,962	8,629	39,333	18.0	11.8	12.8	8.9	
Fourth Quintile	28,883	19.0	80,213	17,276	62,937	21.5	19.3	20.0	17.3	
Top Quintile	28,810	18.9	246,942	70,076	176,867	28.4	59.4	55.9	70.2	
All	152,206	100.0	78,753	18,905	59,848	24.0	100.0	100.0	100.0	
Addendum										
80-90	14,500	9.5	120,998	29,894	91,104	24.7	14.6	14.5	15.1	
90-95	7,269	4.8	171,358	44,659	126,699	26.1	10.4	10.1	11.3	
95-99	5,664	3.7	306,359	85,495	220,864	27.9	14.5	13.7	16.8	
Top 1 Percent	1,377	0.9	1,728,054	564,039	1,164,015	32.6	19.9	17.6	27.0	
Top 0.1 Percent	136	0.1	8,294,256	2,865,534	5,428,722	34.6	9.4	8.1	13.6	

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$13,175, 40% \$24,896, 60% \$42,910, 80% \$69,481, 90% \$99,405, 95% \$140,767, 99% \$369,601, 99.9% \$1,787,257.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	0.0	100.0	-33.1	56.6	2,462	455.2	5.7	7.2	30.8	37.6
Second Quintile	0.0	100.0	-12.8	42.3	2,232	92.6	3.8	9.1	11.2	23.4
Middle Quintile	0.2	99.8	-7.1	32.4	2,000	29.8	2.1	14.7	5.7	24.9
Fourth Quintile	1.8	98.2	-3.4	20.7	1,522	11.7	0.0	20.5	2.7	25.3
Top Quintile	34.3	65.6	4.2	-52.9	-4,755	-10.2	-11.7	48.3	-3.0	26.3
All	4.9	95.1	-3.6	100.0	1,201	11.6	0.0	100.0	2.7	26.3
Addendum										
80-90	9.7	90.3	-0.6	2.2	371	1.7	-1.4	13.9	0.4	26.4
90-95	41.5	58.5	1.3	-3.3	-1,181	-3.6	-1.5	9.3	-1.0	26.3
95-99	84.5	15.5	4.8	-14.5	-7,225	-11.9	-3.0	11.2	-3.4	25.2
Top 1 Percent	91.2	8.8	11.6	-37.2	-86,861	-21.7	-5.9	14.0	-7.6	27.3
Top 0.1 Percent	99.1	0.9	13.6	-19.0	-498,447	-22.6	-3.0	6.8	-8.5	29.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	18,210	27.6	7,983	541	7,442	6.8	5.0	6.1	1.4
Second Quintile	14,995	22.8	19,871	2,411	17,460	12.1	10.3	11.8	5.3
Middle Quintile	12,823	19.5	34,970	6,710	28,260	19.2	15.5	16.4	12.6
Fourth Quintile	10,747	16.3	57,411	13,015	44,396	22.7	21.3	21.5	20.5
Top Quintile	8,802	13.4	158,831	46,592	112,239	29.3	48.3	44.6	60.1
All	65,926	100.0	43,953	10,357	33,597	23.6	100.0	100.0	100.0
Addendum									
80-90	4,662	7.1	86,159	22,412	63,747	26.0	13.9	13.4	15.3
90-95	2,207	3.4	121,836	33,194	88,643	27.2	9.3	8.8	10.7
95-99	1,594	2.4	211,955	60,625	151,331	28.6	11.7	10.9	14.2
Top 1 Percent	339	0.5	1,148,722	400,171	748,552	34.8	13.5	11.5	19.9
Top 0.1 Percent	30	0.1	5,865,339	2,209,465	3,655,873	37.7	6.1	5.0	9.8

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	2.6	97.4	-16.2	-13.0	2,165	463.1	0.8	1.0	15.6	19.0
Second Quintile	11.3	88.7	-4.8	-11.0	1,426	37.0	0.8	2.5	4.2	15.7
Middle Quintile	16.9	83.1	-1.6	-8.0	803	7.6	0.8	6.8	1.3	18.3
Fourth Quintile	45.8	54.1	0.5	4.9	-367	-1.8	0.6	16.1	-0.4	20.6
Top Quintile	93.8	6.2	3.7	127.5	-7,753	-9.4	-3.1	73.6	-2.7	25.5
All	45.2	54.8	1.9	100.0	-1,864	-5.7	0.0	100.0	-1.4	23.6
Addendum										
80-90	90.2	9.8	1.6	13.7	-1,740	-5.1	0.1	15.4	-1.2	23.0
90-95	96.7	3.3	2.4	14.9	-3,488	-6.9	-0.2	12.0	-1.8	23.9
95-99	97.5	2.5	3.3	28.1	-8,215	-8.5	-0.6	18.2	-2.4	25.4
Top 1 Percent	98.1	1.9	6.3	70.8	-80,996	-13.2	-2.4	28.0	-4.2	27.9
Top 0.1 Percent	99.4	0.6	7.3	37.6	-427,719	-14.1	-1.4	13.8	-4.8	29.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	6,695	11.2	13,865	468	13,397	3.4	1.2	1.5	0.2	
Second Quintile	8,633	14.4	33,676	3,853	29,823	11.4	3.7	4.4	1.7	
Middle Quintile	11,078	18.5	61,922	10,542	51,381	17.0	8.7	9.6	5.9	
Fourth Quintile	14,945	24.9	97,550	20,416	77,134	20.9	18.5	19.5	15.5	
Top Quintile	18,390	30.7	292,129	82,188	209,941	28.1	68.2	65.4	76.7	
All	60,003	100.0	131,312	32,861	98,451	25.0	100.0	100.0	100.0	
Addendum										
80-90	8,823	14.7	140,866	34,166	106,700	24.3	15.8	15.9	15.3	
90-95	4,764	7.9	195,719	50,335	145,384	25.7	11.8	11.7	12.2	
95-99	3,826	6.4	348,056	96,672	251,384	27.8	16.9	16.3	18.8	
Top 1 Percent	978	1.6	1,908,327	614,165	1,294,162	32.2	23.7	21.4	30.5	
Top 0.1 Percent	98	0.2	8,920,566	3,030,661	5,889,905	34.0	11.1	9.8	15.1	

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

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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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	0.0	100.0	-16.3	53.0	2,296	-327.8	9.4	6.1	17.1	11.9
Second Quintile	2.7	97.3	-5.2	32.5	1,459	48.7	3.2	16.5	4.7	14.5
Middle Quintile	8.9	91.1	-2.8	17.6	1,170	12.6	-1.7	26.2	2.3	20.3
Fourth Quintile	22.2	77.8	-1.2	5.8	747	4.3	-3.5	23.4	0.9	22.9
Top Quintile	49.2	50.7	1.9	-9.2	-2,666	-5.2	-7.4	27.7	-1.4	25.6
All	7.5	92.5	-4.0	100.0	1,395	20.0	0.0	100.0	3.3	19.8
Addendum										
80-90	35.4	64.5	-0.1	0.3	117	0.4	-2.1	10.7	0.1	24.8
90-95	64.4	35.6	0.7	-0.5	-854	-2.1	-0.9	4.1	-0.5	25.1
95-99	84.7	15.3	2.3	-2.4	-4,875	-6.4	-1.6	5.8	-1.7	24.7
Top 1 Percent	92.1	7.9	6.4	-6.5	-68,544	-13.4	-2.7	7.0	-4.3	27.9
Top 0.1 Percent	99.3	0.7	7.5	-3.4	-406,416	-14.6	-1.4	3.3	-5.0	29.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	7,646	32.2	13,428	-700	14,129	-5.2	10.2	12.9	-3.2	
Second Quintile	7,371	31.0	30,812	2,996	27,816	9.7	22.7	24.5	13.3	
Middle Quintile	4,983	21.0	51,446	9,295	42,151	18.1	25.6	25.1	27.9	
Fourth Quintile	2,562	10.8	79,109	17,392	61,716	22.0	20.2	18.9	26.9	
Top Quintile	1,139	4.8	189,015	50,994	138,021	27.0	21.5	18.8	35.0	
All	23,751	100.0	42,212	6,981	35,231	16.5	100.0	100.0	100.0	
Addendum										
80-90	739	3.1	115,628	28,607	87,021	24.7	8.5	7.7	12.8	
90-95	208	0.9	157,848	40,488	117,360	25.7	3.3	2.9	5.1	
95-99	161	0.7	291,009	76,830	214,179	26.4	4.7	4.1	7.5	
Top 1 Percent	32	0.1	1,592,859	512,823	1,080,036	32.2	5.0	4.1	9.8	
Top 0.1 Percent	3	0.0	8,179,514	2,790,609	5,388,905	34.1	2.3	1.8	4.7	

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

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 5.5

1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$13,175, 40% \$24,896, 60% \$42,910, 80% \$69,481, 90% \$99,405, 95% \$140,767, 99% \$369,601, 99.9% \$1,787,257.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	1.8	98.2	-13.7	-43.8	2,125	-247.5	1.8	1.1	14.5	8.6
Second Quintile	11.5	88.4	-3.4	-22.7	1,048	28.1	1.1	4.4	3.0	13.7
Middle Quintile	21.4	78.5	-0.9	-10.9	489	4.1	0.9	11.7	0.8	19.4
Fourth Quintile	64.8	35.2	1.4	23.5	-1,151	-4.8	-0.2	19.8	-1.1	21.7
Top Quintile	94.5	5.5	3.9	154.5	-8,883	-9.5	-3.7	62.8	-2.8	26.4
All	36.3	63.7	1.3	100.0	-974	-4.1	0.0	100.0	-1.0	23.0
Addendum										
80-90	91.4	8.5	2.1	22.3	-2,455	-6.0	-0.3	14.8	-1.5	23.9
90-95	98.1	1.9	2.8	19.5	-4,706	-7.7	-0.4	9.9	-2.1	24.6
95-99	97.5	2.5	3.3	32.5	-9,720	-8.2	-0.7	15.6	-2.4	26.6
Top 1 Percent	98.8	1.2	6.6	80.1	-99,638	-13.1	-2.4	22.5	-4.4	29.1
Top 0.1 Percent	99.7	0.3	7.1	39.8	-507,197	-13.6	-1.2	10.8	-4.7	29.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	9,706	20.1	14,702	-859	15,561	-5.8	3.0	4.1	-0.7
Second Quintile	10,212	21.1	34,956	3,733	31,222	10.7	7.4	8.7	3.3
Middle Quintile	10,505	21.7	63,732	11,881	51,851	18.6	13.9	14.9	10.8
Fourth Quintile	9,595	19.9	105,871	24,067	81,804	22.7	21.1	21.5	20.0
Top Quintile	8,188	16.9	322,351	93,885	228,467	29.1	54.9	51.2	66.5
All	48,340	100.0	99,549	23,900	75,649	24.0	100.0	100.0	100.0
Addendum									
80-90	4,282	8.9	160,580	40,804	119,776	25.4	14.3	14.0	15.1
90-95	1,952	4.0	229,132	61,052	168,079	26.7	9.3	9.0	10.3
95-99	1,576	3.3	411,928	119,198	292,730	28.9	13.5	12.6	16.3
Top 1 Percent	379	0.8	2,259,920	758,191	1,501,729	33.6	17.8	15.6	24.8
Top 0.1 Percent	37	0.1	10,858,536	3,742,481	7,116,055	34.5	8.3	7.2	12.0

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

Number of AMT Taxpayers (millions): Baseline: 18.2 Proposal: 5.5

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

(1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$13,175, 40% \$24,896, 60% \$42,910, 80% \$69,481, 90% \$99,405, 95% \$140,767, 99% \$369,601, 99.9% \$1,787,257.

(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 T08-0159
2001-06 Tax Cuts with AMT Patch Extended: Lump-Sum Financing
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2010¹
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	0.0	100.0	-24.3	-82.2	2,463	996.4	3.0	3.3	23.7	26.1
Second Quintile	0.1	99.9	-11.0	-103.8	2,328	224.2	3.9	5.5	10.5	15.2
Middle Quintile	0.8	99.2	-4.9	-49.2	1,911	55.2	1.9	5.1	4.5	12.6
Fourth Quintile	9.8	90.2	-1.3	-25.4	812	7.6	1.4	13.1	1.1	15.7
Top Quintile	72.2	27.8	5.7	360.4	-10,807	-15.3	-10.2	73.0	-4.2	23.1
All	16.3	83.7	1.0	100.0	-594	-3.5	0.0	100.0	-0.8	20.5
Addendum										
80-90	57.2	42.8	1.5	19.8	-1,340	-6.1	-0.3	11.2	-1.2	18.7
90-95	75.1	24.9	2.8	29.1	-3,421	-9.8	-0.7	9.8	-2.2	20.3
95-99	90.7	9.3	5.5	86.9	-11,220	-15.2	-2.4	17.7	-4.0	22.4
Top 1 Percent	95.6	4.4	9.5	224.5	-97,780	-19.4	-6.7	34.2	-6.4	26.6
Top 0.1 Percent	99.4	0.6	10.9	118.2	-505,807	-20.1	-3.6	17.2	-7.1	28.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2010¹

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	5,775	19.8	10,390	247	10,143	2.4	2.6	3.2	0.3
Second Quintile	7,717	26.5	22,198	1,038	21,160	4.7	7.4	9.0	1.6
Middle Quintile	4,454	15.3	42,782	3,461	39,322	8.1	8.3	9.6	3.2
Fourth Quintile	5,413	18.6	73,004	10,622	62,382	14.6	17.1	18.6	11.7
Top Quintile	5,771	19.8	259,004	70,604	188,400	27.3	64.7	59.8	83.1
All	29,149	100.0	79,238	16,813	62,425	21.2	100.0	100.0	100.0
Addendum									
80-90	2,562	8.8	110,558	22,039	88,519	19.9	12.3	12.5	11.5
90-95	1,471	5.1	155,282	35,006	120,275	22.5	9.9	9.7	10.5
95-99	1,340	4.6	279,444	73,763	205,681	26.4	16.2	15.2	20.2
Top 1 Percent	397	1.4	1,530,982	504,801	1,026,181	33.0	26.3	22.4	40.9
Top 0.1 Percent	40	0.1	7,145,995	2,520,342	4,625,653	35.3	12.5	10.3	20.8

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

Number of AMT Taxpayers (millions): Baseline: 18.2 Proposal: 5.5

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

(1) Calendar year. Baseline is pre-EGTRRA law. Includes major individual income and estate tax provisions in EGTRRA 2001, JGTRRA 2003, WFTRA 2004, TIPRA 2006, PPA 2006, TIPA 2007, and ESA 2008. Assumes that the AMT exemption is \$62,550 for married couples filing jointly and \$42,500 for unmarried individuals, indexed for inflation after 2007, and that personal non-refundable credits are allowed regardless of tentative AMT. Cost of the tax cuts is financed with a \$2,483 lump-sum levy on all non-dependent tax units.

(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% \$13,175, 40% \$24,896, 60% \$42,910, 80% \$69,481, 90% \$99,405, 95% \$140,767, 99% \$369,601, 99.9% \$1,787,257.

(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.