

Table T08-0216

Major Individual Income Tax Elements of H.R. 6049 Amended by the Senate, The Energy and Tax Extenders Act of 2008
Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile, 2008¹
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	11.7	0.1	0.3	1.8	-32	-0.3	1.2
Second Quintile	31.2	0.4	0.2	2.3	-50	-0.2	8.3
Middle Quintile	45.5	0.2	0.2	3.6	-83	-0.2	15.2
Fourth Quintile	62.6	0.2	0.7	17.4	-486	-0.6	18.3
Top Quintile	83.4	0.2	1.3	74.8	-2,417	-0.9	26.6
All	41.6	0.2	0.8	100.0	-466	-0.7	20.9
Addendum							
80-90	83.3	0.2	1.6	25.8	-1,637	-1.3	21.0
90-95	94.0	0.1	2.1	22.6	-2,975	-1.6	23.1
95-99	86.6	0.3	1.8	25.9	-4,240	-1.3	26.4
Top 1 Percent	16.2	0.6	0.0	0.5	-355	0.0	33.0
Top 0.1 Percent	4.7	1.2	0.0	0.0	-18	0.0	35.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Number of AMT Taxpayers (millions). Baseline: 26.8

Proposal: 4.1

(1) Calendar year. Baseline is current law. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

(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% \$18,726, 40% \$37,258, 60% \$65,634, 80% \$110,346, 90% \$159,187, 95% \$224,851, 99% \$601,906, 99.9% \$2,906,959.

(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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Major Individual Income Tax Elements of H.R. 6049 Amended by the Senate, The Energy and Tax Extenders Act of 2008
Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile, 2008¹
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	11.7	0.1	0.3	1.8	-32	-20.4	-0.1	0.2	-0.3	1.2
Second Quintile	31.2	0.4	0.2	2.3	-50	-2.2	0.0	3.3	-0.2	8.3
Middle Quintile	45.5	0.2	0.2	3.6	-83	-1.1	0.2	10.4	-0.2	15.2
Fourth Quintile	62.6	0.2	0.7	17.4	-486	-3.0	0.0	17.6	-0.6	18.3
Top Quintile	83.4	0.2	1.3	74.8	-2,417	-3.3	-0.2	68.3	-0.9	26.6
All	41.6	0.2	0.8	100.0	-466	-3.1	0.0	100.0	-0.7	20.9
Addendum										
80-90	83.3	0.2	1.6	25.8	-1,637	-5.6	-0.4	13.6	-1.3	21.0
90-95	94.0	0.1	2.1	22.6	-2,975	-6.5	-0.4	10.3	-1.6	23.1
95-99	86.6	0.3	1.8	25.9	-4,240	-4.6	-0.3	16.8	-1.3	26.4
Top 1 Percent	16.2	0.6	0.0	0.5	-355	-0.1	0.8	27.7	0.0	33.0
Top 0.1 Percent	4.7	1.2	0.0	0.0	-18	0.0	0.4	13.8	0.0	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2008¹

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	39,145	26.4	10,336	158	10,178	1.5	3.9	4.8	0.3
Second Quintile	32,467	21.9	27,093	2,285	24,808	8.4	8.4	9.8	3.3
Middle Quintile	29,981	20.2	50,264	7,706	42,558	15.3	14.4	15.5	10.2
Fourth Quintile	24,778	16.7	85,072	16,081	68,991	18.9	20.1	20.8	17.6
Top Quintile	21,402	14.4	263,290	72,515	190,775	27.5	53.7	49.6	68.5
All	148,478	100.0	70,734	15,256	55,478	21.6	100.0	100.0	100.0
Addendum									
80-90	10,910	7.4	130,511	29,002	101,509	22.2	13.6	13.4	14.0
90-95	5,252	3.5	185,896	45,916	139,980	24.7	9.3	8.9	10.7
95-99	4,216	2.8	330,510	91,637	238,872	27.7	13.3	12.2	17.1
Top 1 Percent	1,024	0.7	1,798,103	593,785	1,204,317	33.0	17.5	15.0	26.8
Top 0.1 Percent	99	0.1	8,600,386	3,083,233	5,517,153	35.9	8.1	6.6	13.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Number of AMT Taxpayers (millions). Baseline: 26.8 Proposal: 4.1

(1) Calendar year. Baseline is current law. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

(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% \$18,726, 40% \$37,258, 60% \$65,634, 80% \$110,346, 90% \$159,187, 95% \$224,851, 99% \$601,906, 99.9% \$2,906,959.

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Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	16.5	0.1	0.6	2.8	-60	22.0	-0.1	-0.5	-0.6	-3.4
Second Quintile	24.2	0.5	0.1	1.4	-32	-2.1	0.0	2.0	-0.1	6.0
Middle Quintile	41.6	0.1	0.3	4.8	-115	-1.9	0.1	8.0	-0.3	13.6
Fourth Quintile	60.8	0.2	0.9	22.7	-553	-4.1	-0.2	16.8	-0.8	17.6
Top Quintile	71.9	0.2	1.1	68.3	-1,721	-2.8	0.2	73.5	-0.8	26.5
All	41.6	0.2	0.8	100.0	-466	-3.1	0.0	100.0	-0.7	20.9
Addendum										
80-90	70.1	0.1	1.3	23.6	-1,161	-4.7	-0.3	15.1	-1.0	21.2
90-95	76.3	0.1	1.6	19.2	-1,908	-4.9	-0.2	11.7	-1.2	23.3
95-99	83.1	0.4	1.6	24.9	-3,276	-4.2	-0.2	17.9	-1.2	26.3
Top 1 Percent	19.1	1.1	0.0	0.7	-397	-0.1	0.9	28.8	0.0	32.9
Top 0.1 Percent	5.3	1.6	0.0	0.0	-20	0.0	0.4	14.4	0.0	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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	32,402	21.8	9,656	-272	9,928	-2.8	3.0	3.9	-0.4
Second Quintile	30,877	20.8	24,361	1,484	22,877	6.1	7.2	8.6	2.0
Middle Quintile	28,700	19.3	44,764	6,215	38,549	13.9	12.2	13.4	7.9
Fourth Quintile	28,340	19.1	74,074	13,603	60,472	18.4	20.0	20.8	17.0
Top Quintile	27,456	18.5	221,628	60,494	161,134	27.3	57.9	53.7	73.3
All	148,478	100.0	70,734	15,256	55,478	21.6	100.0	100.0	100.0
Addendum									
80-90	14,023	9.4	111,659	24,844	86,815	22.3	14.9	14.8	15.4
90-95	6,944	4.7	158,062	38,754	119,308	24.5	10.5	10.1	11.9
95-99	5,256	3.5	284,492	77,976	206,517	27.4	14.2	13.2	18.1
Top 1 Percent	1,234	0.8	1,561,100	513,453	1,047,647	32.9	18.3	15.7	28.0
Top 0.1 Percent	115	0.1	7,640,944	2,744,527	4,896,417	35.9	8.4	6.9	14.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

Number of AMT Taxpayers (millions). Baseline: 26.8 Proposal: 4.1

(1) Calendar year. Baseline is current law. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

(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% \$12,738, 40% \$24,107, 60% \$41,408, 80% \$66,804, 90% \$95,425, 95% \$135,398, 99% \$358,614, 99.9% \$1,744,098.

(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.

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Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	5.1	0.1	0.1	4.3	-10	-3.4	0.0	0.9	-0.1	3.7
Second Quintile	12.9	0.2	0.1	2.8	-8	-0.5	0.0	4.5	0.0	8.9
Middle Quintile	27.2	0.1	0.1	5.7	-18	-0.4	0.1	12.0	-0.1	16.4
Fourth Quintile	39.5	0.2	0.1	16.0	-61	-0.6	0.0	20.6	-0.1	20.2
Top Quintile	43.6	0.2	0.3	71.2	-338	-0.8	-0.1	61.9	-0.2	28.2
All	21.7	0.2	0.2	100.0	-62	-0.7	0.0	100.0	-0.2	21.4
Addendum										
80-90	41.3	0.0	0.2	16.6	-146	-0.8	0.0	15.6	-0.2	23.6
90-95	37.7	0.1	0.3	13.9	-260	-0.9	0.0	11.2	-0.2	25.5
95-99	65.0	1.0	0.8	38.9	-1,071	-1.9	-0.2	14.5	-0.6	27.6
Top 1 Percent	17.0	0.0	0.0	1.8	-237	-0.1	0.1	20.6	0.0	36.1
Top 0.1 Percent	2.9	0.0	0.0	0.0	-24	0.0	0.1	10.0	0.0	40.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Lowest Quintile	18,084	28.2	7,355	281	7,074	3.8	5.3	6.4	0.9
Second Quintile	14,782	23.0	18,395	1,641	16,754	8.9	10.7	12.5	4.5
Middle Quintile	12,187	19.0	32,455	5,325	27,130	16.4	15.6	16.6	11.9
Fourth Quintile	10,448	16.3	52,794	10,721	42,072	20.3	21.8	22.1	20.6
Top Quintile	8,388	13.1	141,620	40,236	101,384	28.4	46.9	42.8	62.0
All	64,251	100.0	39,395	8,476	30,920	21.5	100.0	100.0	100.0
Addendum									
80-90	4,514	7.0	79,245	18,829	60,416	23.8	14.1	13.7	15.6
90-95	2,128	3.3	111,819	28,741	83,078	25.7	9.4	8.9	11.2
95-99	1,446	2.3	195,573	55,133	140,440	28.2	11.2	10.2	14.6
Top 1 Percent	300	0.5	1,031,177	371,963	659,214	36.1	12.2	10.0	20.5
Top 0.1 Percent	25	0.0	5,446,277	2,192,217	3,254,059	40.3	5.3	4.1	10.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

(1) Calendar year. Baseline is current law. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

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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.

(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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Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	20.4	0.0	0.7	1.1	-93	19.2	-0.1	-0.3	-0.7	-4.5
Second Quintile	28.8	1.1	0.1	0.5	-32	-1.9	0.0	0.9	-0.1	5.3
Middle Quintile	52.4	0.2	0.4	3.4	-179	-2.6	0.1	5.0	-0.3	11.9
Fourth Quintile	73.7	0.2	1.2	22.5	-885	-5.7	-0.3	14.5	-1.0	16.4
Top Quintile	84.8	0.1	1.3	72.6	-2,417	-3.4	0.3	79.7	-0.9	26.1
All	60.2	0.3	1.1	100.0	-993	-3.7	0.0	100.0	-0.9	21.8
Addendum										
80-90	84.4	0.1	1.7	25.1	-1,709	-6.1	-0.4	15.0	-1.3	20.3
90-95	93.9	0.2	2.0	20.9	-2,698	-6.2	-0.3	12.3	-1.5	22.6
95-99	90.4	0.1	1.8	25.9	-4,229	-4.8	-0.2	19.9	-1.3	25.9
Top 1 Percent	20.1	0.0	0.0	0.8	-501	-0.1	1.2	32.4	0.0	32.2
Top 0.1 Percent	6.1	0.0	0.0	0.0	-84	0.0	0.6	15.9	0.0	35.1

Baseline Distribution of Income and Federal Taxes
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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	6,639	11.3	12,860	-488	13,347	-3.8	1.2	1.7	-0.2	
Second Quintile	8,552	14.5	31,275	1,673	29,602	5.4	3.9	4.7	0.9	
Middle Quintile	11,028	18.7	57,594	7,003	50,591	12.2	9.2	10.4	4.9	
Fourth Quintile	14,823	25.2	89,938	15,599	74,340	17.3	19.3	20.6	14.8	
Top Quintile	17,553	29.8	262,477	70,795	191,683	27.0	66.7	63.0	79.4	
All	58,860	100.0	117,369	26,578	90,791	22.6	100.0	100.0	100.0	
Addendum										
80-90	8,563	14.6	130,077	28,161	101,916	21.7	16.1	16.3	15.4	
90-95	4,528	7.7	181,117	43,703	137,414	24.1	11.9	11.6	12.7	
95-99	3,580	6.1	322,874	87,954	234,920	27.2	16.7	15.7	20.1	
Top 1 Percent	881	1.5	1,721,545	554,509	1,167,035	32.2	22.0	19.3	31.2	
Top 0.1 Percent	83	0.1	8,191,273	2,875,947	5,315,326	35.1	9.9	8.3	15.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	40.8	0.0	1.1	20.8	-154	10.5	-1.6	-11.6	-1.2	-13.0
Second Quintile	40.9	0.4	0.3	10.3	-79	-9.3	-0.3	5.3	-0.3	2.7
Middle Quintile	50.8	0.0	0.5	16.6	-191	-2.9	0.6	29.4	-0.4	13.4
Fourth Quintile	68.4	0.1	1.0	27.3	-612	-4.3	0.2	31.9	-0.8	18.6
Top Quintile	75.1	0.0	1.0	25.0	-1,283	-2.9	1.0	44.8	-0.8	25.5
All	47.4	0.1	0.7	100.0	-240	-5.0	0.0	100.0	-0.6	11.8
Addendum										
80-90	74.8	0.0	1.3	13.3	-1,062	-4.3	0.1	15.8	-1.0	22.4
90-95	79.7	0.2	1.5	5.9	-1,599	-4.4	0.0	6.7	-1.1	23.7
95-99	81.2	0.0	1.1	5.6	-2,072	-3.0	0.2	9.7	-0.8	25.3
Top 1 Percent	15.9	0.0	0.0	0.1	-249	-0.1	0.6	12.8	0.0	32.3
Top 0.1 Percent	6.1	0.0	0.0	0.0	-29	0.0	0.3	6.1	0.0	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Lowest Quintile	7,405	32.4	12,438	-1,467	13,905	-11.8	10.4	13.3	-9.9
Second Quintile	7,131	31.2	28,569	855	27,714	3.0	23.1	25.5	5.6
Middle Quintile	4,765	20.8	47,657	6,589	41,069	13.8	25.7	25.3	28.7
Fourth Quintile	2,449	10.7	72,950	14,152	58,798	19.4	20.2	18.6	31.7
Top Quintile	1,067	4.7	171,409	44,899	126,510	26.2	20.7	17.5	43.8
All	22,867	100.0	38,616	4,780	33,836	12.4	100.0	100.0	100.0
Addendum									
80-90	688	3.0	106,159	24,832	81,327	23.4	8.3	7.2	15.6
90-95	201	0.9	145,193	36,004	109,189	24.8	3.3	2.8	6.6
95-99	149	0.7	265,388	69,210	196,177	26.1	4.5	3.8	9.5
Top 1 Percent	28	0.1	1,444,934	466,585	978,349	32.3	4.7	3.6	12.1
Top 0.1 Percent	2	0.0	7,487,238	2,635,257	4,851,981	35.2	2.0	1.5	5.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

(1) Calendar year. Baseline is current law. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

(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% \$12,738, 40% \$24,107, 60% \$41,408, 80% \$66,804, 90% \$95,425, 95% \$135,398, 99% \$358,614, 99.9% \$1,744,098.

(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 T08-0216
Major Individual Income Tax Elements of H.R. 6049 Amended by the Senate, The Energy and Tax Extenders Act of 2008
Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	46.6	0.0	1.2	3.9	-189	9.9	-0.3	-2.4	-1.4	-15.5
Second Quintile	42.2	0.5	0.3	1.8	-83	-9.0	0.0	1.0	-0.3	2.6
Middle Quintile	55.5	0.2	0.5	6.0	-268	-3.4	0.2	9.3	-0.5	12.9
Fourth Quintile	80.5	0.1	1.8	28.8	-1,401	-7.6	-0.5	19.1	-1.4	17.5
Top Quintile	90.7	0.1	1.6	59.4	-3,408	-4.2	0.7	72.9	-1.2	26.6
All	61.7	0.2	1.4	100.0	-968	-5.1	0.0	100.0	-1.1	19.7
Addendum										
80-90	95.9	0.0	2.5	25.8	-2,811	-8.2	-0.5	15.6	-1.9	21.2
90-95	98.1	0.3	2.8	18.5	-4,409	-8.2	-0.4	11.2	-2.1	23.3
95-99	84.7	0.1	1.7	15.0	-4,534	-4.3	0.2	18.3	-1.2	26.8
Top 1 Percent	12.9	0.5	0.0	0.2	-228	0.0	1.4	27.8	0.0	32.9
Top 0.1 Percent	4.4	0.7	0.0	0.0	1	0.0	0.7	13.4	0.0	35.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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	9,557	20.0	13,615	-1,915	15,531	-14.1	3.0	4.3	-2.0
Second Quintile	10,103	21.1	32,520	918	31,602	2.8	7.6	9.3	1.0
Middle Quintile	10,419	21.8	59,184	7,905	51,278	13.4	14.2	15.6	9.2
Fourth Quintile	9,531	19.9	97,731	18,457	79,274	18.9	21.5	22.0	19.6
Top Quintile	8,067	16.9	290,160	80,474	209,686	27.7	54.0	49.2	72.2
All	47,814	100.0	90,679	18,815	71,864	20.8	100.0	100.0	100.0
Addendum									
80-90	4,247	8.9	148,107	34,135	113,972	23.1	14.5	14.1	16.1
90-95	1,940	4.1	211,090	53,659	157,430	25.4	9.5	8.9	11.6
95-99	1,526	3.2	380,984	106,624	274,360	28.0	13.4	12.2	18.1
Top 1 Percent	353	0.7	2,038,701	671,486	1,367,214	32.9	16.6	14.1	26.4
Top 0.1 Percent	33	0.1	9,854,749	3,477,552	6,377,196	35.3	7.5	6.1	12.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

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. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

(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% \$12,738, 40% \$24,107, 60% \$41,408, 80% \$66,804, 90% \$95,425, 95% \$135,398, 99% \$358,614, 99.9% \$1,744,098.

(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 T08-0216
Major Individual Income Tax Elements of H.R. 6049 Amended by the Senate, The Energy and Tax Extenders Act of 2008
Includes Extension of AMT Higher Exemption Levels and Allowance of Personal Credits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008¹
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	2.7	0.1	0.0	0.2	-3	31.4	0.0	0.0	0.0	-0.1
Second Quintile	13.5	0.4	0.0	0.5	-4	-0.8	0.0	1.1	0.0	2.7
Middle Quintile	37.6	0.1	0.1	2.0	-33	-1.4	0.0	2.6	-0.1	5.7
Fourth Quintile	67.4	0.2	0.3	12.7	-165	-2.0	0.0	11.2	-0.3	11.8
Top Quintile	70.6	0.3	0.7	84.7	-1,141	-1.8	0.0	85.0	-0.5	27.0
All	35.7	0.3	0.5	100.0	-249	-1.8	0.0	100.0	-0.4	19.6
Addendum										
80-90	69.5	0.3	0.7	18.7	-543	-3.0	-0.1	11.4	-0.5	17.6
90-95	72.2	0.1	0.9	17.9	-973	-3.2	-0.1	10.2	-0.7	20.9
95-99	84.2	0.1	1.5	45.3	-2,719	-3.9	-0.4	20.9	-1.1	26.2
Top 1 Percent	25.5	1.4	0.1	2.8	-586	-0.1	0.7	42.6	0.0	35.1
Top 0.1 Percent	6.4	2.2	0.0	0.0	-80	0.0	0.4	21.3	0.0	38.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2008¹

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	5,757	20.5	9,539	-9	9,548	-0.1	2.9	3.6	0.0
Second Quintile	7,552	26.9	20,367	548	19,819	2.7	8.0	9.7	1.1
Middle Quintile	4,239	15.1	40,406	2,339	38,066	5.8	8.9	10.5	2.6
Fourth Quintile	5,356	19.1	67,004	8,094	58,909	12.1	18.7	20.5	11.3
Top Quintile	5,183	18.4	229,092	63,086	166,006	27.5	61.7	55.9	85.0
All	28,106	100.0	68,466	13,686	54,780	20.0	100.0	100.0	100.0
Addendum									
80-90	2,400	8.5	101,813	18,422	83,391	18.1	12.7	13.0	11.5
90-95	1,286	4.6	142,932	30,866	112,065	21.6	9.6	9.4	10.3
95-99	1,164	4.1	258,324	70,397	187,927	27.3	15.6	14.2	21.3
Top 1 Percent	333	1.2	1,376,805	483,798	893,007	35.1	23.8	19.3	41.9
Top 0.1 Percent	31	0.1	6,684,028	2,565,244	4,118,784	38.4	10.9	8.4	20.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

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. Proposal extends the state and local sales tax deduction, tuition and fees deduction, and educator expense deduction through 2008; creates an additional standard deduction of the lesser of \$350 (\$700 for couples) and the amount of property tax paid for non-itemizers; and reduces the child tax credit refundability threshold to \$8,500. The proposal increases the AMT exemption to \$46,200 (\$69,950 for married couples filing a joint return) and allows the use of personal non-refundable credits regardless of tentative AMT.

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