

Table T08-0223

**Senator Obama's Tax Proposals of August 14, 2008, Advisers' Version (No Payroll Surtax), Tax Cuts Extended: Tax Units with a Change in Effective Marginal Individual Income Tax Rates (EMTR) by Cash Income Level, 2012<sup>1</sup>**

Cash Income Class (thousands of 2008 dollars) <sup>2</sup>	Tax Units (thousands) <sup>3</sup>	Percent of Tax Units With		
		Increase in EMTR	No Change in EMTR	Decrease in EMTR
<b>Less than 10</b>	16,546	0.4	2.0	97.6
<b>10-20</b>	24,287	14.2	10.3	75.5
<b>20-30</b>	19,994	12.5	30.5	57.0
<b>30-40</b>	15,128	23.6	33.3	43.1
<b>40-50</b>	12,063	21.0	39.3	39.6
<b>50-75</b>	22,213	14.7	46.1	39.3
<b>75-100</b>	14,729	28.9	38.6	32.5
<b>100-200</b>	22,218	12.0	59.4	28.5
<b>200-500</b>	6,499	15.0	70.4	14.6
<b>500-1,000</b>	1,087	56.4	32.5	11.1
<b>More than 1,000</b>	546	74.9	18.1	7.0
<b>All</b>	156,009	15.6	34.0	50.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-6).

1. Calendar year. Baseline assumes the provisions in the 2001-06 tax cuts scheduled to sunset at the end of 2010 are made permanent and the 2007 AMT patch is extended and indexed for inflation. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000. For a detailed description of Senator Obama's proposal, see the Tax Policy Center's report: *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans: Updated September 12, 2008* available on the Tax Policy Center website.

2. Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

3. Includes both filing and non-filing units but excludes those that are dependents of other tax units.