

Table T08-0224

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 Percentile, 2012¹

Cash Income Percentile ^{2,3}	Tax Units (thousands) ⁴	Percent of Tax Units With		
		Increase in EMTR	No Change in EMTR	Decrease in EMTR
Lowest Quintile	39,102	7.8	6.5	85.7
Second Quintile	32,942	16.4	31.6	52.0
Third Quintile	30,075	18.5	38.1	43.4
Fourth Quintile	25,152	17.8	26.0	56.1
Top Quintile	22,287	19.5	20.1	60.4
All	150,241	15.2	23.7	61.1
Addendum				
80-90	11,264	9.5	17.4	73.0
90-95	5,439	22.2	16.2	61.6
95-99	4,454	28.9	32.5	38.7
Top 1 Percent	1,131	68.1	17.6	14.3
Top 0.1 Percent	114	81.2	11.6	7.3

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. 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.