

**Table T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2008**<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 (%)	Under the Proposal
Lowest Quintile	2.8	0.1	0.1	5.2	-6	-0.1	0.9
Second Quintile	8.1	0.2	0.1	23.5	-33	-0.1	8.0
Middle Quintile	7.0	0.1	0.1	25.5	-39	-0.1	14.9
Fourth Quintile	7.4	0.0	0.1	23.0	-42	-0.1	18.0
Top Quintile	4.6	0.0	0.0	22.8	-47	0.0	25.2
All	5.8	0.1	0.1	100.0	-31	0.0	20.2
<b>Addendum</b>							
80-90	5.8	0.0	0.1	13.1	-54	0.0	20.5
90-95	3.5	0.0	0.0	4.6	-39	0.0	22.4
95-99	3.6	0.0	0.0	4.6	-47	0.0	25.2
Top 1 Percent	1.4	0.0	0.0	0.6	-24	0.0	30.0
Top 0.1 Percent	0.4	0.0	0.0	0.0	-6	0.0	31.6

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

Number of AMT Taxpayers (millions). Baseline: 4.1

Proposal: 4.1

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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.

**Table T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2008 <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	2.8	0.1	0.1	5.2	-6	-6.5	0.0	0.2	-0.1	0.9
Second Quintile	8.1	0.2	0.1	23.5	-33	-1.5	0.0	3.2	-0.1	8.0
Middle Quintile	7.0	0.1	0.1	25.5	-39	-0.5	0.0	10.1	-0.1	14.9
Fourth Quintile	7.4	0.0	0.1	23.0	-42	-0.3	0.0	17.3	-0.1	18.0
Top Quintile	4.6	0.0	0.0	22.8	-47	-0.1	0.1	69.0	0.0	25.2
All	5.8	0.1	0.1	100.0	-31	-0.2	0.0	100.0	0.0	20.2
<b>Addendum</b>										
80-90	5.8	0.0	0.1	13.1	-54	-0.2	0.0	13.5	0.0	20.5
90-95	3.5	0.0	0.0	4.6	-39	-0.1	0.0	10.2	0.0	22.4
95-99	3.6	0.0	0.0	4.6	-47	-0.1	0.0	16.7	0.0	25.2
Top 1 Percent	1.4	0.0	0.0	0.6	-24	0.0	0.1	28.6	0.0	30.0
Top 0.1 Percent	0.4	0.0	0.0	0.0	-6	0.0	0.0	14.6	0.0	31.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2008 <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	38,734	26.1	10,339	94	10,245	0.9	3.7	4.6	0.2
Second Quintile	32,512	21.9	27,137	2,207	24,930	8.1	8.1	9.4	3.3
Middle Quintile	29,745	20.0	50,269	7,519	42,750	15.0	13.8	14.7	10.2
Fourth Quintile	24,833	16.7	85,096	15,344	69,753	18.0	19.5	20.0	17.3
Top Quintile	21,974	14.8	273,072	68,969	204,103	25.3	55.2	51.8	68.9
All	148,478	100.0	73,156	14,805	58,350	20.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	11,083	7.5	130,618	26,827	103,791	20.5	13.3	13.3	13.5
90-95	5,366	3.6	186,071	41,630	144,441	22.4	9.2	9.0	10.2
95-99	4,406	3.0	331,342	83,390	247,953	25.2	13.4	12.6	16.7
Top 1 Percent	1,119	0.8	1,871,777	560,686	1,311,091	30.0	19.3	16.9	28.5
Top 0.1 Percent	113	0.1	8,924,869	2,822,976	6,101,892	31.6	9.3	8.0	14.5

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

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

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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.

**Table T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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	2.2	0.2	0.0	2.7	-4	1.1	0.0	-0.5	0.0	-3.7
Second Quintile	8.2	0.1	0.1	22.2	-33	-2.4	0.0	1.9	-0.1	5.6
Middle Quintile	7.9	0.1	0.1	24.1	-38	-0.6	0.0	7.9	-0.1	13.5
Fourth Quintile	7.0	0.0	0.1	24.7	-40	-0.3	0.0	16.5	-0.1	17.3
Top Quintile	4.2	0.0	0.0	26.3	-43	-0.1	0.1	74.1	0.0	25.2
All	5.8	0.1	0.1	100.0	-31	-0.2	0.0	100.0	0.0	20.2
<b>Addendum</b>										
80-90	5.1	0.0	0.1	13.8	-45	-0.2	0.0	14.9	0.0	20.7
90-95	3.6	0.0	0.0	6.7	-43	-0.1	0.0	11.5	0.0	22.6
95-99	3.3	0.0	0.0	5.0	-41	-0.1	0.0	17.9	0.0	24.9
Top 1 Percent	1.5	0.0	0.0	0.8	-27	0.0	0.1	29.8	0.0	29.8
Top 0.1 Percent	0.6	0.0	0.0	0.0	-7	0.0	0.0	15.1	0.0	31.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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	32,136	21.6	9,676	-355	10,031	-3.7	2.9	3.7	-0.5
Second Quintile	30,600	20.6	24,413	1,406	23,007	5.8	6.9	8.1	2.0
Middle Quintile	28,760	19.4	44,659	6,056	38,603	13.6	11.8	12.8	7.9
Fourth Quintile	28,147	19.0	74,152	12,877	61,275	17.4	19.2	19.9	16.5
Top Quintile	28,156	19.0	229,510	57,797	171,713	25.2	59.5	55.8	74.0
All	148,478	100.0	73,156	14,805	58,350	20.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	14,153	9.5	111,502	23,162	88,339	20.8	14.5	14.4	14.9
90-95	7,103	4.8	157,889	35,700	122,189	22.6	10.3	10.0	11.5
95-99	5,550	3.7	283,470	70,731	212,739	25.0	14.5	13.6	17.9
Top 1 Percent	1,350	0.9	1,621,134	483,830	1,137,304	29.9	20.2	17.7	29.7
Top 0.1 Percent	133	0.1	7,865,274	2,487,708	5,377,566	31.6	9.7	8.3	15.1

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

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

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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 T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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
<b>Lowest Quintile</b>	1.8	0.1	0.0	3.5	-3	-1.1	0.0	0.8	0.0	3.4
<b>Second Quintile</b>	6.9	0.0	0.1	24.5	-23	-1.5	-0.1	4.2	-0.1	8.5
<b>Middle Quintile</b>	6.9	0.0	0.1	27.4	-30	-0.6	0.0	11.9	-0.1	16.1
<b>Fourth Quintile</b>	4.7	0.0	0.1	25.0	-33	-0.3	0.0	20.1	-0.1	19.7
<b>Top Quintile</b>	3.2	0.0	0.0	19.6	-31	-0.1	0.1	62.8	0.0	26.6
<b>All</b>	4.6	0.0	0.1	100.0	-21	-0.3	0.0	100.0	-0.1	20.6
<b>Addendum</b>										
<b>80-90</b>	4.1	0.0	0.1	11.9	-36	-0.2	0.0	15.4	-0.1	23.0
<b>90-95</b>	2.4	0.0	0.0	3.7	-23	-0.1	0.0	11.0	0.0	24.4
<b>95-99</b>	2.1	0.0	0.0	3.4	-29	-0.1	0.0	14.7	0.0	25.6
<b>Top 1 Percent</b>	1.2	0.0	0.0	0.6	-25	0.0	0.1	21.8	0.0	32.4
<b>Top 0.1 Percent</b>	0.5	0.0	0.0	0.0	-5	0.0	0.0	10.7	0.0	35.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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							
<b>Lowest Quintile</b>	17,917	27.9	7,366	253	7,113	3.4	5.0	6.1	0.8
<b>Second Quintile</b>	14,600	22.7	18,412	1,581	16,831	8.6	10.3	11.8	4.3
<b>Middle Quintile</b>	12,313	19.2	32,414	5,247	27,167	16.2	15.2	16.1	11.9
<b>Fourth Quintile</b>	10,411	16.2	52,926	10,458	42,468	19.8	21.0	21.3	20.1
<b>Top Quintile</b>	8,662	13.5	147,444	39,171	108,273	26.6	48.8	45.1	62.7
<b>All</b>	64,251	100.0	40,773	8,421	32,352	20.7	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	4,570	7.1	79,266	18,248	61,018	23.0	13.8	13.4	15.4
<b>90-95</b>	2,172	3.4	111,889	27,321	84,568	24.4	9.3	8.8	11.0
<b>95-99</b>	1,581	2.5	195,435	50,031	145,404	25.6	11.8	11.1	14.6
<b>Top 1 Percent</b>	339	0.5	1,070,401	346,473	723,928	32.4	13.9	11.8	21.7
<b>Top 0.1 Percent</b>	30	0.1	5,527,749	1,935,397	3,592,352	35.0	6.3	5.2	10.7

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

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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 T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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	2.1	0.0	0.0	1.5	-6	0.9	0.0	-0.3	0.0	-4.9
Second Quintile	9.8	0.2	0.1	14.0	-41	-2.6	0.0	0.9	-0.1	4.9
Middle Quintile	9.7	0.1	0.1	20.0	-45	-0.7	0.0	4.9	-0.1	11.7
Fourth Quintile	9.2	0.0	0.1	28.6	-48	-0.3	0.0	14.2	-0.1	16.1
Top Quintile	4.9	0.0	0.0	35.9	-50	-0.1	0.1	80.2	0.0	24.8
All	7.2	0.1	0.0	100.0	-42	-0.2	0.0	100.0	0.0	21.0
<b>Addendum</b>										
80-90	5.9	0.0	0.1	17.8	-51	-0.2	0.0	14.8	0.0	19.9
90-95	4.3	0.0	0.0	9.8	-53	-0.1	0.0	12.2	0.0	22.0
95-99	4.0	0.0	0.0	7.2	-48	-0.1	0.0	19.9	0.0	24.8
Top 1 Percent	1.7	0.0	0.0	1.1	-28	0.0	0.1	33.3	0.0	29.3
Top 0.1 Percent	0.6	0.0	0.0	0.0	-8	0.0	0.0	16.7	0.0	31.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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-	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	6,549	11.1	12,913	-629	13,542	-4.9	1.2	1.6	-0.3	
Second Quintile	8,467	14.4	31,351	1,572	29,779	5.0	3.7	4.5	0.9	
Middle Quintile	10,967	18.6	57,542	6,786	50,756	11.8	8.8	9.9	4.9	
Fourth Quintile	14,682	24.9	90,088	14,557	75,531	16.2	18.5	19.6	14.2	
Top Quintile	17,939	30.5	271,783	67,358	204,425	24.8	68.1	64.9	80.2	
All	58,860	100.0	121,659	25,611	96,047	21.1	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	8,622	14.7	129,932	25,876	104,056	19.9	15.6	15.9	14.8	
90-95	4,629	7.9	180,821	39,844	140,977	22.0	11.7	11.5	12.2	
95-99	3,736	6.4	322,831	80,063	242,768	24.8	16.8	16.0	19.8	
Top 1 Percent	953	1.6	1,797,234	526,602	1,270,632	29.3	23.9	21.4	33.3	
Top 0.1 Percent	96	0.2	8,488,059	2,629,568	5,858,491	31.0	11.4	9.9	16.7	

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

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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 T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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	2.9	0.6	0.0	5.5	-5	0.3	-0.1	-11.6	0.0	-13.1
Second Quintile	8.9	0.3	0.2	48.5	-45	-5.8	-0.3	5.0	-0.2	2.5
Middle Quintile	6.0	0.0	0.1	30.3	-42	-0.7	0.0	29.4	-0.1	13.4
Fourth Quintile	4.2	0.0	0.1	10.6	-29	-0.2	0.1	31.6	0.0	18.4
Top Quintile	2.5	0.0	0.0	5.2	-31	-0.1	0.3	45.6	0.0	24.5
All	5.5	0.3	0.1	100.0	-29	-0.6	0.0	100.0	-0.1	11.6
<b>Addendum</b>										
80-90	2.4	0.0	0.0	3.0	-28	-0.1	0.1	15.9	0.0	22.1
90-95	3.4	0.0	0.1	1.6	-50	-0.2	0.0	7.0	0.0	23.3
95-99	2.0	0.0	0.0	0.6	-25	0.0	0.1	9.7	0.0	24.2
Top 1 Percent	0.3	0.0	0.0	0.0	-2	0.0	0.1	13.1	0.0	29.5
Top 0.1 Percent	1.9	0.0	0.0	0.0	-18	0.0	0.0	6.4	0.0	31.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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-	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	7,397	32.4	12,444	-1,622	14,066	-13.0	10.3	13.2	-11.5	
Second Quintile	7,124	31.2	28,595	771	27,824	2.7	22.8	25.2	5.3	
Middle Quintile	4,769	20.9	47,702	6,410	41,292	13.4	25.5	25.0	29.4	
Fourth Quintile	2,433	10.6	72,995	13,437	59,557	18.4	19.9	18.4	31.4	
Top Quintile	1,096	4.8	175,540	43,089	132,451	24.6	21.6	18.4	45.4	
All	22,867	100.0	38,999	4,550	34,449	11.7	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	700	3.1	105,949	23,459	82,490	22.1	8.3	7.3	15.8	
90-95	214	0.9	145,060	33,865	111,194	23.4	3.5	3.0	7.0	
95-99	152	0.7	271,587	65,831	205,756	24.2	4.6	4.0	9.6	
Top 1 Percent	30	0.1	1,513,030	446,526	1,066,504	29.5	5.2	4.1	13.0	
Top 0.1 Percent	3	0.0	7,690,010	2,403,198	5,286,812	31.3	2.4	1.9	6.4	

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

(1) Calendar year. Baseline is current law. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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 T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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	3.0	0.4	0.0	3.0	-6	0.3	0.0	-2.4	-0.1	-15.6
Second Quintile	11.1	0.3	0.2	29.3	-59	-7.2	-0.1	0.9	-0.2	2.3
Middle Quintile	9.3	0.0	0.1	25.6	-50	-0.7	0.0	9.2	-0.1	12.8
Fourth Quintile	8.2	0.0	0.1	23.2	-49	-0.3	0.0	18.9	-0.1	17.3
Top Quintile	3.8	0.0	0.0	18.9	-47	-0.1	0.1	73.3	0.0	25.5
All	7.3	0.2	0.1	100.0	-42	-0.2	0.0	100.0	-0.1	19.2
<b>Addendum</b>										
80-90	4.4	0.0	0.0	10.8	-51	-0.2	0.0	15.5	0.0	20.9
90-95	3.5	0.0	0.0	4.7	-48	-0.1	0.0	11.1	0.0	22.9
95-99	3.0	0.0	0.0	2.8	-37	0.0	0.0	18.2	0.0	26.0
Top 1 Percent	1.5	0.0	0.0	0.5	-27	0.0	0.1	28.5	0.0	30.3
Top 0.1 Percent	0.6	0.0	0.0	0.0	-10	0.0	0.0	14.0	0.0	31.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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	9,532	19.9	13,624	-2,112	15,736	-15.5	2.9	4.2	-2.4
Second Quintile	10,091	21.1	32,509	818	31,691	2.5	7.4	8.9	1.0
Middle Quintile	10,383	21.7	59,220	7,626	51,595	12.9	13.9	15.0	9.3
Fourth Quintile	9,504	19.9	97,794	16,972	80,822	17.4	21.0	21.5	18.9
Top Quintile	8,171	17.1	299,188	76,467	222,721	25.6	55.1	50.8	73.1
All	47,814	100.0	92,771	17,867	74,905	19.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,266	8.9	147,940	30,930	117,010	20.9	14.2	13.9	15.5
90-95	1,960	4.1	211,011	48,404	162,607	22.9	9.3	8.9	11.1
95-99	1,567	3.3	381,353	99,018	282,335	26.0	13.5	12.4	18.2
Top 1 Percent	378	0.8	2,125,042	643,131	1,481,912	30.3	18.1	15.6	28.4
Top 0.1 Percent	37	0.1	10,289,918	3,224,215	7,065,703	31.3	8.6	7.3	14.0

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. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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 T08-0240**  
**Elimination of Income Tax on Unemployment Benefits**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2008<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	1.0	0.0	0.0	3.9	-2	3.1	0.0	-0.1	0.0	-0.8
Second Quintile	2.0	0.0	0.0	11.8	-5	-1.1	0.0	0.9	0.0	2.2
Middle Quintile	3.3	0.0	0.0	21.5	-15	-0.7	0.0	2.5	0.0	5.5
Fourth Quintile	3.4	0.0	0.0	36.2	-21	-0.3	0.0	10.1	0.0	10.8
Top Quintile	1.6	0.0	0.0	26.7	-14	0.0	0.1	86.7	0.0	24.3
All	2.2	0.0	0.0	100.0	-11	-0.1	0.0	100.0	0.0	18.2
<b>Addendum</b>										
80-90	1.9	0.0	0.0	11.2	-14	-0.1	0.0	10.6	0.0	16.0
90-95	1.8	0.0	0.0	6.7	-14	-0.1	0.0	10.2	0.0	19.0
95-99	1.3	0.0	0.0	7.7	-18	0.0	0.0	20.8	0.0	23.2
Top 1 Percent	0.8	0.0	0.0	1.1	-8	0.0	0.0	45.1	0.0	30.7
Top 0.1 Percent	0.3	0.0	0.0	0.0	-3	0.0	0.0	22.9	0.0	32.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2008<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	5,613	20.0	9,578	-69	9,647	-0.7	2.6	3.2	-0.1
Second Quintile	7,385	26.3	20,450	449	20,000	2.2	7.3	8.7	0.9
Middle Quintile	4,289	15.3	39,887	2,188	37,699	5.5	8.3	9.6	2.5
Fourth Quintile	5,224	18.6	67,270	7,293	59,977	10.8	17.0	18.5	10.1
Top Quintile	5,577	19.8	241,292	58,719	182,574	24.3	65.0	60.1	86.6
All	28,106	100.0	73,692	13,454	60,238	18.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	2,448	8.7	101,652	16,312	85,339	16.1	12.0	12.3	10.6
90-95	1,424	5.1	142,666	27,157	115,509	19.0	9.8	9.7	10.2
95-99	1,317	4.7	257,517	59,701	197,816	23.2	16.4	15.4	20.8
Top 1 Percent	389	1.4	1,426,168	437,790	988,378	30.7	26.8	22.7	45.0
Top 0.1 Percent	39	0.1	6,750,892	2,214,207	4,536,684	32.8	12.7	10.5	22.9

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. The proposal excludes unemployment benefits from AGI, but assumes that the 2008 stimulus payment remains constant.

(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.