

Table T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Summary Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	14.3	0.0	0.1	0.0	-6	-0.1	5.2
10-20	43.4	1.3	0.6	0.9	-85	-0.6	4.1
20-30	73.7	2.4	1.6	3.2	-359	-1.4	7.9
30-40	88.0	2.4	2.4	4.7	-724	-2.0	11.3
40-50	93.8	1.4	2.8	5.8	-1,095	-2.4	13.5
50-75	97.5	0.6	3.2	16.2	-1,649	-2.6	15.2
75-100	98.7	0.3	3.4	15.8	-2,469	-2.8	16.4
100-200	98.8	0.2	3.2	31.3	-3,498	-2.5	18.9
200-500	94.9	0.1	1.8	10.2	-3,995	-1.4	23.0
500-1,000	98.2	0.0	1.5	3.3	-7,432	-1.1	25.6
More than 1,000	99.9	0.0	1.6	8.3	-35,011	-1.1	29.2
All	74.9	1.0	2.5	100.0	-1,465	-2.0	19.1

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

Number of AMT Taxpayers (millions). Baseline: 4.4

Proposal: 8.9

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

(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.

(4) 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.

(5) 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 T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	14.3	0.0	0.1	0.0	-6	-1.9	0.0	0.2	-0.1	5.2
10-20	43.4	1.3	0.6	0.9	-85	-12.1	0.0	0.7	-0.6	4.1
20-30	73.7	2.4	1.6	3.2	-359	-15.2	-0.1	1.8	-1.4	7.9
30-40	88.0	2.4	2.4	4.7	-724	-15.3	-0.2	2.7	-2.0	11.3
40-50	93.8	1.4	2.8	5.8	-1,095	-15.1	-0.2	3.4	-2.4	13.5
50-75	97.5	0.6	3.2	16.2	-1,649	-14.7	-0.6	9.6	-2.6	15.2
75-100	98.7	0.3	3.4	15.8	-2,469	-14.5	-0.6	9.5	-2.8	16.4
100-200	98.8	0.2	3.2	31.3	-3,498	-11.8	-0.7	23.9	-2.5	18.9
200-500	94.9	0.1	1.8	10.2	-3,995	-5.6	0.7	17.5	-1.4	23.0
500-1,000	98.2	0.0	1.5	3.3	-7,432	-4.0	0.5	8.2	-1.1	25.6
More than 1,000	99.9	0.0	1.6	8.3	-35,011	-3.6	1.3	22.5	-1.1	29.2
All	74.9	1.0	2.5	100.0	-1,465	-9.3	0.0	100.0	-2.0	19.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	
Less than 10	17,204	11.5	5,704	303	5,401	5.3	0.9	1.0	0.2
10-20	24,101	16.0	15,181	707	14,474	4.7	3.2	3.9	0.7
20-30	19,493	13.0	25,314	2,361	22,953	9.3	4.4	5.0	1.9
30-40	14,384	9.6	35,555	4,724	30,831	13.3	4.5	5.0	2.9
40-50	11,749	7.8	45,838	7,265	38,573	15.9	4.8	5.1	3.6
50-75	21,662	14.4	63,039	11,200	51,839	17.8	12.1	12.6	10.2
75-100	14,107	9.4	88,790	17,014	71,775	19.2	11.1	11.3	10.1
100-200	19,712	13.1	138,154	29,643	108,511	21.5	24.1	24.0	24.6
200-500	5,636	3.8	291,886	71,161	220,725	24.4	14.5	13.9	16.9
500-1,000	989	0.7	695,069	185,568	509,501	26.7	6.1	5.6	7.7
More than 1,000	519	0.4	3,199,967	970,488	2,229,478	30.3	14.7	13.0	21.2
All	150,241	100.0	75,289	15,841	59,448	21.0	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 4.4

Proposal: 8.9

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

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

(4) 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.

(5) 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 T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	14.3	0.0	0.1	0.1	-5	-1.2	0.1	1.1	-0.1	7.8
10-20	56.8	1.8	0.9	3.2	-123	-9.8	0.0	3.2	-0.8	7.5
20-30	85.6	1.4	2.4	9.0	-523	-14.4	-0.3	5.9	-2.1	12.3
30-40	96.4	0.6	3.5	11.4	-1,009	-15.6	-0.5	6.8	-2.8	15.3
40-50	98.7	0.3	3.9	13.4	-1,429	-16.0	-0.6	7.8	-3.1	16.4
50-75	99.2	0.1	3.7	25.5	-1,805	-13.4	-0.7	18.2	-2.9	18.8
75-100	99.0	0.1	3.2	12.0	-2,119	-10.2	0.0	11.6	-2.4	21.2
100-200	98.3	0.2	2.6	13.3	-2,597	-8.0	0.4	17.0	-1.9	22.3
200-500	96.6	0.1	1.9	5.3	-4,224	-5.5	0.5	10.1	-1.4	24.5
500-1,000	98.8	0.0	1.8	2.0	-8,766	-4.4	0.3	4.7	-1.3	27.2
More than 1,000	99.9	0.0	1.9	4.7	-39,573	-3.7	0.9	13.6	-1.3	32.8
All	70.2	0.7	2.7	100.0	-889	-9.9	0.0	100.0	-2.1	19.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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
Less than 10	12,556	19.3	5,704	452	5,252	7.9	2.6	3.1	1.0
10-20	14,909	23.0	15,017	1,251	13,766	8.3	8.2	9.5	3.2
20-30	9,879	15.2	25,243	3,629	21,614	14.4	9.1	9.9	6.2
30-40	6,530	10.1	35,566	6,456	29,110	18.2	8.5	8.8	7.3
40-50	5,421	8.4	45,797	8,953	36,844	19.6	9.1	9.3	8.4
50-75	8,162	12.6	62,150	13,476	48,673	21.7	18.6	18.5	18.9
75-100	3,264	5.0	87,974	20,735	67,238	23.6	10.5	10.2	11.7
100-200	2,958	4.6	134,418	32,597	101,821	24.3	14.6	14.0	16.6
200-500	730	1.1	295,280	76,604	218,677	25.9	7.9	7.4	9.6
500-1,000	130	0.2	694,203	197,318	496,885	28.4	3.3	3.0	4.4
More than 1,000	69	0.1	3,156,727	1,074,820	2,081,906	34.1	7.9	6.7	12.7
All	64,958	100.0	42,053	8,947	33,106	21.3	100.0	100.0	100.0

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

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

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

(4) 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.

(5) 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 T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	22.4	0.0	0.3	0.0	-12	-4.7	0.0	0.0	-0.3	5.1
10-20	26.0	0.3	0.1	0.1	-21	-4.6	0.0	0.1	-0.1	2.8
20-30	58.9	3.0	0.5	0.4	-130	-10.4	0.0	0.4	-0.5	4.4
30-40	77.1	4.2	1.1	1.0	-368	-12.9	0.0	0.7	-1.0	7.0
40-50	85.9	3.5	1.6	1.7	-652	-12.6	-0.1	1.1	-1.4	9.8
50-75	96.6	1.1	2.8	10.4	-1,541	-16.5	-0.5	5.1	-2.4	12.2
75-100	99.1	0.3	3.6	17.4	-2,668	-17.1	-0.8	8.2	-3.0	14.4
100-200	99.4	0.2	3.4	41.5	-3,747	-12.9	-1.3	27.1	-2.7	18.2
200-500	94.9	0.1	1.8	13.1	-3,971	-5.7	0.7	21.2	-1.4	22.8
500-1,000	98.1	0.0	1.4	4.2	-7,223	-3.9	0.5	9.9	-1.0	25.4
More than 1,000	99.9	0.0	1.5	10.1	-33,586	-3.6	1.4	26.2	-1.1	28.7
All	85.2	1.0	2.5	100.0	-2,404	-8.8	0.0	100.0	-1.9	19.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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
Less than 10	2,093	3.5	4,904	262	4,642	5.3	0.1	0.2	0.0
10-20	3,937	6.6	15,709	462	15,247	2.9	0.8	1.0	0.1
20-30	4,757	8.0	25,357	1,248	24,109	4.9	1.6	2.0	0.4
30-40	3,946	6.6	35,641	2,859	32,782	8.0	1.9	2.2	0.7
40-50	3,659	6.2	45,966	5,177	40,790	11.3	2.3	2.6	1.2
50-75	9,688	16.3	64,204	9,369	54,835	14.6	8.4	9.1	5.6
75-100	9,341	15.7	89,292	15,566	73,726	17.4	11.2	11.8	9.0
100-200	15,817	26.6	139,272	29,054	110,218	20.9	29.6	29.9	28.3
200-500	4,725	7.9	291,151	70,236	220,915	24.1	18.5	17.9	20.5
500-1,000	827	1.4	695,396	183,594	511,802	26.4	7.7	7.3	9.4
More than 1,000	430	0.7	3,148,057	936,090	2,211,966	29.7	18.2	16.3	24.8
All	59,479	100.0	125,155	27,271	97,884	21.8	100.0	100.0	100.0

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

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

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(5) 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 T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	6.7	0.0	0.0	0.0	-2	0.3	-0.1	-1.0	0.0	-7.1
10-20	14.9	0.6	0.1	0.5	-17	2.0	-0.5	-3.7	-0.1	-5.5
20-30	61.7	4.1	0.9	6.3	-220	-36.7	-0.6	1.5	-0.9	1.5
30-40	83.9	3.9	1.8	12.7	-563	-16.5	-0.5	9.0	-1.6	8.1
40-50	94.6	1.0	2.5	14.3	-972	-15.2	-0.4	11.1	-2.1	11.8
50-75	96.3	0.5	3.1	33.1	-1,580	-14.8	-0.8	26.5	-2.6	14.7
75-100	96.6	0.4	2.9	16.4	-2,056	-11.7	0.1	17.2	-2.4	17.7
100-200	91.8	1.1	2.1	10.7	-2,131	-7.2	1.0	19.2	-1.6	21.1
200-500	87.1	0.0	1.5	2.8	-3,347	-4.7	0.6	8.0	-1.1	23.0
500-1,000	96.6	0.0	1.3	0.9	-6,682	-3.7	0.3	3.2	-1.0	25.7
More than 1,000	99.8	0.0	1.5	2.3	-32,742	-3.5	0.8	8.8	-1.1	29.3
All	60.6	1.8	1.9	100.0	-675	-12.2	0.0	100.0	-1.7	12.0

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by Cash Income Level, 2009¹

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	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	2,406	10.3	6,412	-455	6,867	-7.1	1.6	2.0	-0.9
10-20	4,961	21.3	15,257	-822	16,079	-5.4	8.1	9.8	-3.2
20-30	4,512	19.4	25,403	600	24,803	2.4	12.2	13.8	2.1
30-40	3,554	15.3	35,401	3,414	31,987	9.6	13.4	14.0	9.4
40-50	2,315	9.9	45,811	6,393	39,418	14.0	11.3	11.3	11.5
50-75	3,290	14.1	61,934	10,661	51,272	17.2	21.7	20.8	27.3
75-100	1,254	5.4	87,576	17,561	70,015	20.1	11.7	10.8	17.1
100-200	786	3.4	130,519	29,606	100,913	22.7	10.9	9.8	18.1
200-500	132	0.6	298,070	71,799	226,271	24.1	4.2	3.7	7.4
500-1,000	21	0.1	683,864	182,161	501,703	26.6	1.5	1.3	2.9
More than 1,000	11	0.1	3,070,023	932,778	2,137,244	30.4	3.6	2.9	8.0
All	23,292	100.0	40,351	5,518	34,834	13.7	100.0	100.0	100.0

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

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Detail Table - Tax Units with Children

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	5.0	0.0	0.0	0.0	-2	0.4	0.0	-0.2	0.0	-11.4
10-20	12.0	0.6	0.1	0.1	-13	0.9	-0.1	-0.9	-0.1	-9.1
20-30	55.8	3.5	0.8	1.3	-190	214.4	-0.1	-0.2	-0.8	-1.1
30-40	82.4	4.2	1.6	3.0	-507	-18.1	-0.2	1.3	-1.4	6.4
40-50	91.2	2.5	2.0	3.8	-819	-14.3	-0.1	2.2	-1.8	10.7
50-75	95.6	1.2	2.7	13.3	-1,451	-14.7	-0.5	7.3	-2.3	13.3
75-100	98.3	0.5	3.2	17.1	-2,367	-14.8	-0.7	9.3	-2.7	15.3
100-200	98.4	0.3	3.1	38.6	-3,416	-11.8	-1.0	27.2	-2.5	18.4
200-500	92.4	0.2	1.5	11.0	-3,306	-4.7	0.9	21.2	-1.2	23.4
500-1,000	97.3	0.0	1.3	3.5	-6,346	-3.4	0.5	9.5	-0.9	26.4
More than 1,000	99.9	0.0	1.4	8.2	-31,167	-3.2	1.3	23.3	-1.0	29.5
All	75.3	1.4	2.2	100.0	-1,676	-8.6	0.0	100.0	-1.8	18.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	
Less than 10	2,701	5.6	5,981	-680	6,662	-11.4	0.4	0.5	-0.2
10-20	5,494	11.4	15,478	-1,402	16,880	-9.1	1.9	2.5	-0.8
20-30	5,603	11.7	25,399	-89	25,487	-0.4	3.1	3.9	-0.1
30-40	4,726	9.8	35,550	2,796	32,753	7.9	3.7	4.2	1.4
40-50	3,756	7.8	45,850	5,735	40,116	12.5	3.8	4.1	2.3
50-75	7,394	15.4	63,220	9,872	53,349	15.6	10.2	10.8	7.8
75-100	5,839	12.1	89,123	15,985	73,138	17.9	11.4	11.7	10.0
100-200	9,103	18.9	139,015	28,971	110,044	20.8	27.6	27.5	28.2
200-500	2,690	5.6	288,713	70,840	217,873	24.5	17.0	16.1	20.4
500-1,000	442	0.9	693,043	189,245	503,798	27.3	6.7	6.1	9.0
More than 1,000	212	0.4	3,179,388	969,821	2,209,568	30.5	14.7	12.8	22.0
All	48,094	100.0	95,281	19,454	75,826	20.4	100.0	100.0	100.0

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.

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2009. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

(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.

(4) 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.

(5) 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 T09-0047
House Republican Stimulus Proposal
Baseline: Current Law Plus Extension and Indexation of AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	25.9	0.0	0.2	0.1	-11	-6.2	0.0	0.1	-0.2	2.6
10-20	38.0	0.0	0.3	0.7	-44	-11.0	0.0	0.7	-0.3	2.3
20-30	68.2	0.1	0.8	1.8	-188	-14.8	-0.1	1.2	-0.8	4.3
30-40	81.4	0.3	1.1	1.8	-352	-16.7	-0.1	1.1	-1.0	5.0
40-50	88.5	0.3	1.8	3.0	-753	-21.3	-0.2	1.3	-1.6	6.0
50-75	98.1	0.2	2.8	15.2	-1,590	-22.0	-0.9	6.5	-2.5	8.9
75-100	99.5	0.1	3.6	16.1	-2,715	-21.5	-1.0	7.1	-3.1	11.2
100-200	99.6	0.0	3.5	29.4	-3,954	-15.8	-1.1	18.9	-2.9	15.3
200-500	99.5	0.0	2.4	14.1	-5,570	-8.2	0.5	19.0	-1.9	20.9
500-1,000	99.8	0.0	2.0	5.3	-10,289	-5.5	0.6	11.0	-1.5	25.4
More than 1,000	99.8	0.0	2.0	12.7	-43,195	-4.4	2.2	33.0	-1.4	29.7
All	71.4	0.1	2.4	100.0	-1,499	-10.8	0.0	100.0	-2.0	16.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

Cash Income Level (thousands of 2008 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	
Less than 10	2,765	9.7	6,577	181	6,396	2.8	0.8	1.0	0.1
10-20	6,689	23.4	15,129	398	14,731	2.6	4.7	5.6	0.7
20-30	4,053	14.2	24,891	1,264	23,627	5.1	4.7	5.4	1.3
30-40	2,142	7.5	35,242	2,108	33,134	6.0	3.5	4.0	1.1
40-50	1,714	6.0	46,021	3,531	42,490	7.7	3.6	4.1	1.5
50-75	4,095	14.3	63,445	7,233	56,212	11.4	12.0	13.0	7.4
75-100	2,542	8.9	88,251	12,621	75,630	14.3	10.3	10.9	8.1
100-200	3,191	11.1	137,801	25,030	112,771	18.2	20.3	20.3	20.1
200-500	1,082	3.8	298,445	68,004	230,441	22.8	14.9	14.1	18.5
500-1,000	221	0.8	696,175	187,009	509,166	26.9	7.1	6.4	10.4
More than 1,000	126	0.4	3,134,426	974,087	2,160,339	31.1	18.2	15.4	30.8
All	28,639	100.0	75,721	13,910	61,811	18.4	100.0	100.0	100.0

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.

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. The business tax provisions are measured on a net present value basis.

(1) Calendar year. Baseline is current law plus extension and indexation of the 2008 AMT patch. Proposal would reduce the two lowest individual income tax rates from 10 and 15 percent to 5 and 10 percent; exclude unemployment compensation from gross income; provide a \$20,000 deduction against income from a small business; provide a special allowance for certain property acquired during 2009; allow a temporary increase in the limitation on expensing of certain depreciable business assets; and provide a 5-year carryback with 10% cutback for 2008 and 2009 NOLs with an exception for TARP recipients (these last three measures are assumed to be the same as in the House Ways and Means Committee proposal).

(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) 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.

(5) 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.