

Table T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 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	70.2	0.0	6.4	3.1	-347	-6.1	-0.8
10-20	75.0	0.0	4.0	7.2	-582	-3.8	0.8
20-30	90.8	0.0	2.9	6.7	-670	-2.7	6.7
30-40	95.7	0.0	2.2	5.1	-688	-1.9	11.4
40-50	96.9	0.0	1.9	4.4	-724	-1.6	14.3
50-75	98.3	0.0	1.6	9.3	-835	-1.3	16.6
75-100	99.0	0.0	1.9	9.5	-1,319	-1.5	18.2
100-200	97.9	0.0	2.6	28.3	-2,797	-2.0	20.8
200-500	99.3	0.2	2.6	16.3	-5,647	-1.9	24.1
500-1,000	94.8	0.3	0.8	2.1	-4,201	-0.6	26.2
More than 1,000	98.3	0.0	1.3	7.9	-29,684	-0.9	29.4
All	89.9	0.0	2.2	100.0	-1,298	-1.7	20.0

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications/url.cfm?ID=411827>.

Number of AMT Taxpayers (millions). Baseline: 30.339

Proposal: 4.636

(1) Calendar year. Baseline is current law. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://jct.gov/x-5-09.pdf>. Provisions include the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$500 (\$1,000 for joint filers) phased out above AGI \$75,000 (\$150,000 for joint filers). The earned income tax credit percentage for families with three or more qualifying children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to \$5,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to \$0. The HOPE credit is made available for four years at a rate of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000. The phase-out thresholds are increased to AGI \$80,000 (\$160,000 for joint filers), textbooks are made a qualifying expense and the credit is allowable against the AMT. Forty percent of the credit is made refundable. Tax incentives for businesses include special allowance for certain property acquired during 2009, temporary increase in limitation on expensing of certain depreciable business assets, and a 5 year carryback with 10 percent cutback for 2008 and 2009 NOLs with

exception for TARP recipients. Plus the extension of the AMT patch for 2009 for which exemptions are increased to \$46,700 (\$70,950 for joint filers) and personal credits are made allowable against AMT liability.

(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 T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
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	70.2	0.0	6.4	3.1	-347	-114.6	-0.3	0.0	-6.1	-0.8
10-20	75.0	0.0	4.0	7.2	-582	-82.3	-0.6	0.1	-3.8	0.8
20-30	90.8	0.0	2.9	6.7	-670	-28.4	-0.4	1.5	-2.7	6.7
30-40	95.7	0.0	2.2	5.1	-688	-14.6	-0.2	2.6	-1.9	11.4
40-50	96.9	0.0	1.9	4.4	-724	-9.9	-0.1	3.4	-1.6	14.3
50-75	98.3	0.0	1.6	9.3	-835	-7.4	0.1	10.0	-1.3	16.6
75-100	99.0	0.0	1.9	9.5	-1,319	-7.5	0.1	10.1	-1.5	18.2
100-200	97.9	0.0	2.6	28.3	-2,797	-8.9	-0.3	25.0	-2.0	20.8
200-500	99.3	0.2	2.6	16.3	-5,647	-7.4	0.1	17.5	-1.9	24.1
500-1,000	94.8	0.3	0.8	2.1	-4,201	-2.3	0.5	8.0	-0.6	26.2
More than 1,000	98.3	0.0	1.3	7.9	-29,684	-3.1	1.1	21.6	-0.9	29.4
All	89.9	0.0	2.2	100.0	-1,298	-8.0	0.0	100.0	-1.7	20.0

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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	17,204	11.5	5,704	303	5,401	5.3	0.9	1.1	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	5.1	1.9
30-40	14,384	9.6	35,555	4,726	30,828	13.3	4.5	5.0	2.8
40-50	11,749	7.8	45,838	7,290	38,547	15.9	4.8	5.1	3.5
50-75	21,662	14.4	63,039	11,304	51,734	17.9	12.1	12.7	10.0
75-100	14,107	9.4	88,790	17,494	71,296	19.7	11.1	11.4	10.1
100-200	19,712	13.1	138,154	31,466	106,688	22.8	24.1	23.7	25.3
200-500	5,636	3.8	291,886	75,924	215,962	26.0	14.5	13.7	17.4
500-1,000	989	0.7	695,069	186,351	508,717	26.8	6.1	5.7	7.5
More than 1,000	519	0.4	3,199,967	970,745	2,229,222	30.3	14.7	13.1	20.6
All	150,241	100.0	75,289	16,327	58,962	21.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

Number of AMT Taxpayers (millions). Baseline: 30.339 Proposal: 4.636

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications?url.cfm?ID=411827>.

(1) Calendar year. Baseline is current law. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://jct.gov/x-5-09.pdf>. Provisions include the Making Work Pay Credit equal to 6.2% of ear income up to a maximum credit of \$500 (\$1,000 for joint filers) phased out above AGI \$75,000 (\$150,000 for joint filers). The earned income tax credit percentage for families with three or more qualifying children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to \$5,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to \$0. The HOPE credit is made available for four years at a rate of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000. The phase-out thresholds are increased to AGI \$80,000 (\$160,000 for joint filers), textbooks are made a qualifying expense and the credit is allowable against the AMT. Forty percent of the credit is made refundable. Tax incentives for businesses include special allowance for certain property acquired during 2009, temporary increase in limitation on expensing of certain depreciable business assets, and a 5 year carryback with 10 percent cutback for 2008 and 2009 NOLs with exception for TARP recipients. Plus the extension of the AMT increased to \$46,700 (\$70,950 for joint filers) and personal credits are made allowable against AMT liability.

(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 T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 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	69.0	0.0	5.2	10.2	-275	-60.7	-0.6	0.4	-4.8	3.1
10-20	69.0	0.0	2.5	15.0	-340	-27.2	-0.7	2.5	-2.3	6.1
20-30	90.4	0.0	2.1	13.1	-446	-12.3	-0.4	5.7	-1.8	12.6
30-40	96.5	0.0	1.7	9.8	-505	-7.8	-0.2	7.1	-1.4	16.7
40-50	97.1	0.0	1.4	8.0	-499	-5.6	0.0	8.3	-1.1	18.5
50-75	98.2	0.0	1.1	13.2	-546	-4.0	0.4	19.2	-0.9	20.9
75-100	98.3	0.0	0.9	5.9	-608	-2.9	0.4	12.0	-0.7	23.0
100-200	86.8	0.3	0.9	7.8	-885	-2.7	0.6	17.3	-0.7	23.9
200-500	96.1	0.5	1.5	7.2	-3,340	-4.3	0.2	9.9	-1.1	25.4
500-1,000	94.9	0.1	1.2	2.2	-5,798	-2.9	0.1	4.5	-0.8	27.6
More than 1,000	97.9	0.0	1.7	7.2	-35,463	-3.3	0.3	13.0	-1.1	32.9
All	83.6	0.0	1.6	100.0	-519	-5.8	0.0	100.0	-1.2	20.2

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	
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	9.6	3.2
20-30	9,879	15.2	25,243	3,629	21,614	14.4	9.1	9.9	6.1
30-40	6,530	10.1	35,566	6,456	29,110	18.2	8.5	8.9	7.2
40-50	5,421	8.4	45,797	8,954	36,843	19.6	9.1	9.3	8.3
50-75	8,162	12.6	62,150	13,504	48,646	21.7	18.6	18.5	18.9
75-100	3,264	5.0	87,974	20,826	67,147	23.7	10.5	10.2	11.6
100-200	2,958	4.6	134,418	32,997	101,421	24.6	14.6	14.0	16.7
200-500	730	1.1	295,280	78,268	217,012	26.5	7.9	7.4	9.8
500-1,000	130	0.2	694,203	197,542	496,661	28.5	3.3	3.0	4.4
More than 1,000	69	0.1	3,156,727	1,074,887	2,081,839	34.1	7.9	6.7	12.7
All	64,958	100.0	42,053	8,992	33,060	21.4	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications/url.cfm?ID=411827>.

(1) Calendar year. Baseline is current law. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://jct.gov/x-5-09.pdf>. Provisions include the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$500 (\$1,000 for joint filers) phased out above AGI \$75,000 (\$150,000 for joint filers). The earned income tax credit percentage for families with three or more qualifying children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to \$5,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to \$0. The HOPE credit is made available for four years at a rate of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000. The phase-out thresholds are increased to AGI \$80,000 (\$160,000 for joint filers), textbooks are made a qualifying expense and the credit is allowable against the AMT. Forty percent of the credit is made refundable. Tax incentives for businesses include special allowance for certain property acquired during 2009, temporary increase in limitation on expensing of certain depreciable business assets, and a 5 year carryback with 10 percent cutback for 2008 and 2009 NOLs with exception for TARP recipients. Plus the extension of the AMT patch for 2009 for which credit is increased to \$46,700 (\$70,950 for joint filers) and personal credits are made allowable against AMT liability.

(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 T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 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	64.0	0.0	6.5	0.5	-303	-115.7	0.0	0.0	-6.2	-0.8
10-20	76.7	0.0	5.3	2.4	-812	-175.7	-0.2	-0.1	-5.2	-2.2
20-30	85.6	0.0	4.0	3.4	-974	-78.1	-0.3	0.1	-3.8	1.1
30-40	91.5	0.0	3.1	3.0	-1,011	-35.4	-0.2	0.5	-2.8	5.2
40-50	94.9	0.0	2.6	2.9	-1,069	-20.7	-0.2	1.0	-2.3	8.9
50-75	98.0	0.0	1.8	7.2	-1,005	-10.7	-0.2	5.3	-1.6	13.1
75-100	99.3	0.1	2.1	10.5	-1,525	-9.5	-0.1	8.8	-1.7	16.3
100-200	99.9	0.0	3.0	37.4	-3,192	-10.3	-0.7	28.5	-2.3	20.1
200-500	99.8	0.1	2.8	21.2	-6,075	-8.0	0.0	21.2	-2.1	23.9
500-1,000	95.4	0.0	0.8	2.4	-3,981	-2.2	0.6	9.6	-0.6	26.0
More than 1,000	98.4	0.0	1.3	8.9	-28,061	-3.0	1.3	25.2	-0.9	28.9
All	94.5	0.0	2.4	100.0	-2,272	-8.0	0.0	100.0	-1.8	20.8

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	
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	2.3	0.7
40-50	3,659	6.2	45,966	5,177	40,790	11.3	2.3	2.6	1.1
50-75	9,688	16.3	64,204	9,420	54,784	14.7	8.4	9.2	5.4
75-100	9,341	15.7	89,292	16,090	73,202	18.0	11.2	11.9	8.9
100-200	15,817	26.6	139,272	31,134	108,138	22.4	29.6	29.7	29.2
200-500	4,725	7.9	291,151	75,559	215,592	26.0	18.5	17.7	21.2
500-1,000	827	1.4	695,396	184,513	510,883	26.5	7.7	7.3	9.1
More than 1,000	430	0.7	3,148,057	936,412	2,211,645	29.8	18.2	16.5	23.9
All	59,479	100.0	125,155	28,353	96,802	22.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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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.

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As Reported by House Ways and Means Plus 2009 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	81.1	0.0	11.2	8.1	-772	169.5	-1.9	-2.7	-12.0	-19.2
10-20	90.2	0.0	7.0	24.6	-1,133	137.8	-5.8	-8.8	-7.4	-12.8
20-30	96.6	0.0	3.5	16.9	-856	-142.6	-3.1	-1.1	-3.4	-1.0
30-40	98.6	0.0	2.1	10.6	-680	-19.9	-0.3	8.9	-1.9	7.7
40-50	98.9	0.0	1.7	6.9	-680	-10.5	0.9	12.2	-1.5	12.6
50-75	99.1	0.0	1.9	13.8	-961	-8.8	2.8	30.0	-1.6	16.2
75-100	99.1	0.0	2.2	8.4	-1,539	-8.3	1.9	19.4	-1.8	19.4
100-200	98.4	0.0	2.0	6.9	-2,017	-6.4	2.4	21.1	-1.6	22.6
200-500	98.6	0.0	1.6	2.1	-3,545	-4.8	1.1	8.5	-1.2	23.8
500-1,000	83.9	0.0	0.7	0.3	-3,336	-1.8	0.5	3.4	-0.5	26.2
More than 1,000	96.3	0.0	1.3	1.4	-27,887	-3.0	1.3	9.1	-0.9	29.5
All	94.7	0.0	2.8	100.0	-982	-17.2	0.0	100.0	-2.4	11.7

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	
Less than 10	2,406	10.3	6,412	-455	6,867	-7.1	1.6	2.1	-0.8
10-20	4,961	21.3	15,257	-822	16,079	-5.4	8.1	9.9	-3.1
20-30	4,512	19.4	25,403	600	24,803	2.4	12.2	13.9	2.0
30-40	3,554	15.3	35,401	3,417	31,984	9.7	13.4	14.1	9.1
40-50	2,315	9.9	45,811	6,460	39,351	14.1	11.3	11.3	11.3
50-75	3,290	14.1	61,934	10,986	50,948	17.7	21.7	20.8	27.2
75-100	1,254	5.4	87,576	18,549	69,027	21.2	11.7	10.7	17.5
100-200	786	3.4	130,519	31,459	99,060	24.1	10.9	9.7	18.6
200-500	132	0.6	298,070	74,443	223,627	25.0	4.2	3.7	7.4
500-1,000	21	0.1	683,864	182,444	501,421	26.7	1.5	1.3	2.8
More than 1,000	11	0.1	3,070,023	932,848	2,137,175	30.4	3.6	2.9	7.8
All	23,292	100.0	40,351	5,702	34,650	14.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications/url.cfm?ID=411827>.

(1) Calendar year. Baseline is current law. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://jct.gov/x-5-09.pdf>. Provisions include the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$500 (\$1,000 for joint filers) phased out above AGI \$75,000 (\$150,000 for joint filers). The earned income tax credit percentage for families with three or more qualifying children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to \$5,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to \$0. The HOPE credit is made available for four years at a rate of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000. The phase-out thresholds are increased to AGI \$80,000 (\$160,000 for joint filers), textbooks are made a qualifying expense and the credit is allowable against the AMT. Forty percent of the credit is made refundable. Tax incentives for businesses include special allowance for certain property acquired during 2009, temporary increase in limitation on expensing of certain depreciable business assets, and a 5 year carryback with 10 percent cutback for 2008 and 2009 NOLs with exception for TARP recipients. Plus the extension of the AMT patch for 2009 for which credit is increased to \$46,700 (\$70,950 for joint filers) and personal credits are made allowable against AMT liability.

(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 T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
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	83.0	0.0	12.8	2.2	-853	125.4	-0.3	-0.5	-14.3	-25.6
10-20	96.9	0.0	8.3	7.4	-1,396	99.6	-1.0	-1.8	-9.0	-18.1
20-30	99.0	0.0	4.7	6.5	-1,203	1,361.1	-0.8	-0.8	-4.7	-5.1
30-40	99.5	0.0	3.1	4.7	-1,026	-36.6	-0.4	1.0	-2.9	5.0
40-50	99.5	0.0	2.7	3.9	-1,075	-18.6	-0.2	2.0	-2.3	10.3
50-75	99.6	0.0	2.2	8.3	-1,167	-11.6	-0.1	7.5	-1.9	14.1
75-100	99.8	0.0	2.5	10.2	-1,816	-10.8	0.0	9.9	-2.0	16.8
100-200	99.8	0.0	3.6	34.0	-3,867	-12.2	-0.5	28.9	-2.8	20.1
200-500	99.7	0.1	3.0	16.2	-6,259	-8.2	0.6	21.5	-2.2	24.4
500-1,000	92.7	0.2	0.6	1.2	-2,886	-1.5	0.9	9.4	-0.4	27.0
More than 1,000	97.6	0.0	1.1	5.1	-25,156	-2.6	1.9	22.8	-0.8	29.7
All	98.2	0.0	2.9	100.0	-2,155	-10.5	0.0	100.0	-2.3	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-	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
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	2.6	-0.8
20-30	5,603	11.7	25,399	-88	25,487	-0.4	3.1	4.0	-0.1
30-40	4,726	9.8	35,550	2,801	32,748	7.9	3.7	4.3	1.4
40-50	3,756	7.8	45,850	5,790	40,061	12.6	3.8	4.2	2.2
50-75	7,394	15.4	63,220	10,090	53,131	16.0	10.2	10.9	7.6
75-100	5,839	12.1	89,123	16,800	72,323	18.9	11.4	11.7	10.0
100-200	9,103	18.9	139,015	31,765	107,250	22.9	27.6	27.1	29.4
200-500	2,690	5.6	288,713	76,663	212,050	26.6	17.0	15.9	21.0
500-1,000	442	0.9	693,043	189,988	503,055	27.4	6.7	6.2	8.5
More than 1,000	212	0.4	3,179,388	969,934	2,209,454	30.5	14.7	13.0	20.9
All	48,094	100.0	95,281	20,453	74,827	21.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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 2010. The business tax provisions are measured on a net present value basis. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications?url.cfm?ID=411827>.

(1) Calendar year. Baseline is current law. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://jct.gov/x-5-09.pdf>. Provisions include the Making Work Pay Credit equal to 6.2% of ear income up to a maximum credit of \$500 (\$1,000 for joint filers) phased out above AGI \$75,000 (\$150,000 for joint filers). The earned income tax credit percentage for families with three or more qualifying children is increased to 45 percent and the threshold phase-out amount for joint filers is increased to \$5,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to \$0. The HOPE credit is made available for four years at a rate of 100% of the first \$2,000 of qualified expenses and 25% of the next \$2,000. The phase-out thresholds are increased to AGI \$80,000 (\$160,000 for joint filers), textbooks are made a qualifying expense and the credit is allowable against the AMT. Forty percent of the credit is made refundable. Tax incentives for businesses include special allowance for certain property acquired during 2009, temporary increase in limitation on expensing of certain depreciable business assets, and a 5 year carryback with 10 percent cutback for 2008 and 2009 NOLs with exception for TARP recipients. Plus the extension of the AMT increased to \$46,700 (\$70,950 for joint filers) and personal credits are made allowable against AMT liability.

(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 T09-0076
"The American Recovery and Reinvestment Tax Act of 2009"
As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Level, 2009¹
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	34.9	0.0	0.9	0.6	-59	-32.6	0.0	0.1	-0.9	1.9
10-20	41.9	0.0	0.6	2.1	-80	-20.2	-0.1	0.6	-0.5	2.1
20-30	69.7	0.0	0.8	3.0	-194	-15.4	-0.1	1.1	-0.8	4.3
30-40	81.6	0.0	0.8	2.1	-256	-12.2	-0.1	1.0	-0.7	5.3
40-50	85.3	0.0	0.7	2.1	-316	-8.9	0.0	1.5	-0.7	7.0
50-75	93.5	0.0	0.9	8.0	-511	-7.1	-0.1	7.3	-0.8	10.6
75-100	96.7	0.1	1.2	8.9	-910	-7.1	-0.1	8.0	-1.0	13.5
100-200	98.4	0.0	1.8	24.1	-1,970	-7.6	-0.3	20.1	-1.4	17.4
200-500	99.5	0.1	2.5	23.6	-5,683	-8.0	-0.3	18.8	-1.9	22.1
500-1,000	99.2	0.2	1.5	6.6	-7,745	-4.1	0.3	10.5	-1.1	25.9
More than 1,000	99.6	0.1	1.8	18.8	-38,806	-4.0	0.8	31.0	-1.2	29.9
All	72.1	0.0	1.5	100.0	-910	-6.4	0.0	100.0	-1.2	17.5

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-	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
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	3,537	42,483	7.7	3.6	4.1	1.5
50-75	4,095	14.3	63,445	7,255	56,190	11.4	12.0	13.1	7.3
75-100	2,542	8.9	88,251	12,856	75,395	14.6	10.3	10.9	8.1
100-200	3,191	11.1	137,801	25,941	111,860	18.8	20.3	20.3	20.4
200-500	1,082	3.8	298,445	71,508	226,937	24.0	14.9	13.9	19.1
500-1,000	221	0.8	696,175	188,052	508,123	27.0	7.1	6.4	10.2
More than 1,000	126	0.4	3,134,426	974,445	2,159,981	31.1	18.2	15.5	30.3
All	28,639	100.0	75,721	14,178	61,543	18.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Ways and Means bill, available at <http://www.taxpolicycenter.org/publications?url.cfm?ID=411827>.

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