### Table T09-0077

As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Percentile, 2009

#### Summary Table

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units With Tax Cut</th>
<th>Percent Change in After-Tax Income Δ</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate Change (% Points)</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>72.3</td>
<td>4.7</td>
<td>9.6</td>
<td>-477</td>
<td>-4.4</td>
<td>0.2</td>
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<tr>
<td>Second Quintile</td>
<td>91.9</td>
<td>2.7</td>
<td>11.3</td>
<td>-670</td>
<td>-2.4</td>
<td>8.2</td>
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<td>Middle Quintile</td>
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<td>11.7</td>
<td>-760</td>
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<td>17.2</td>
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<td>2.2</td>
<td>50.1</td>
<td>-4,381</td>
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<tr>
<td>All</td>
<td>89.9</td>
<td>0.0</td>
<td>100.0</td>
<td>-1,298</td>
<td>-1.7</td>
<td>20.0</td>
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</table>

**Addendum**

| 80-90                  | 97.4                             | 2.6                                 | 15.9                             | -2,750                         | -2.0                                     | 20.6              |
| 90-95                  | 99.2                             | 2.9                                 | 11.6                             | -4,172                         | -2.2                                     | 22.2              |
| 95-99                  | 98.6                             | 2.3                                 | 13.2                             | -5,782                         | -1.7                                     | 24.7              |
| Top 1 Percent          | 96.7                             | 1.2                                 | 9.3                              | -16,110                        | -0.9                                     | 28.7              |
| Top 0.1 Percent        | 99.2                             | 1.6                                 | 5.6                              | -95,375                        | -1.1                                     | 30.3              |

**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 50. 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) 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% $18,981, 40% $37,595, 60% $66,354, 80% $111,645, 90% $160,972, 95% $226,918, 99% $603,402, 99.9% $2,871,682.

(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 T09-0077
As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Percentile, 2009  
Detail Table

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<tr>
<th>Cash Income Percentile 2,3</th>
<th>Percent of Tax Units 4</th>
<th>Percent Change 5 in After-Tax Income 6</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate 6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td>Dollars</td>
<td>Percent</td>
<td>Change (%) Under the Proposal</td>
<td>Percent Points</td>
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<tr>
<td>Lowest Quintile</td>
<td>72.3 0.0</td>
<td>4.7</td>
<td>9.6</td>
<td>-0.47</td>
<td>-95.1</td>
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<td>Second Quintile</td>
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<td>Top Quintile</td>
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<td>All</td>
<td>89.9 0.2</td>
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<td>-1.98</td>
<td>-8.0</td>
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<tr>
<td>80-90</td>
<td>97.4 0.1</td>
<td>2.6</td>
<td>15.9</td>
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<td>-9.0</td>
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<td>90-95</td>
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<tr>
<td>95-99</td>
<td>98.6 0.2</td>
<td>2.3</td>
<td>13.2</td>
<td>-5.782</td>
<td>-6.4</td>
<td>0.3</td>
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<tr>
<td>Top 1 Percent</td>
<td>96.7 0.1</td>
<td>1.2</td>
<td>9.3</td>
<td>-16.110</td>
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<td>5.6</td>
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Baseline Distribution of Income and Federal Taxes by Cash Income Percentile, 2009  

<table>
<thead>
<tr>
<th>Cash Income Percentile 2,3</th>
<th>Tax Units 4 (Thousands)</th>
<th>Percent of Total</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income 5 (Dollars)</th>
<th>Average Federal Tax Rate 6</th>
<th>Percent of Total</th>
<th>Percent of Total</th>
<th>Percent of Total</th>
<th>Percent of Total</th>
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<tbody>
<tr>
<td>Lowest Quintile</td>
<td>39,102</td>
<td>26.0</td>
<td>10,744</td>
<td>501</td>
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<td>Second Quintile</td>
<td>32,442</td>
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<td>28,057</td>
<td>2,980</td>
<td>23,076</td>
<td>10.6</td>
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<td>9.3</td>
<td>4.0</td>
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<td>Middle Quintile</td>
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<td>20.0</td>
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<tr>
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<td>16.7</td>
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<td>17,415</td>
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<td>20.6</td>
<td>17.9</td>
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<td>Top Quintile</td>
<td>22,287</td>
<td>14.8</td>
<td>279,244</td>
<td>87,992</td>
<td>206,015</td>
<td>26.2</td>
<td>35.0</td>
<td>31.8</td>
<td>66.5</td>
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<tr>
<td>All</td>
<td>150,241</td>
<td>100.0</td>
<td>75,289</td>
<td>58,062</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tbody>
</table>

| Addendum                  |                        |                  |                          |                                      |                                      |                          |                  |                  |
| 80-90                     | 11,264                  | 7.5              | 135,145                  | 30,642                               | 104,500                              | 22.7                     | 13.5             | 13.3             | 14.1             |
| 90-95                     | 5,439                   | 3.6              | 192,266                  | 46,915                               | 145,351                              | 24.4                     | 9.3              | 8.9              | 10.4             |
| 95-99                     | 4,454                   | 3.0              | 340,985                  | 89,899                               | 251,086                              | 26.4                     | 13.4             | 12.6             | 16.3             |
| Top 1 Percent             | 1,151                   | 0.8              | 1,889,937                | 558,184                              | 1,331,353                            | 29.6                     | 18.9             | 17.0             | 25.7             |
| Top 0.1 Percent           | 114                     | 0.1              | 8,820,410                | 6,131,503                            | 2,688,907                            | 31.3                     | 9.0              | 7.9              | 13.0             |

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

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Table T09-0077
As Reported by House Ways and Means Plus 2009 AMT Patch
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009
Detail Table

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Average</td>
<td>Average</td>
<td>Average After-Tax Federal Tax Change (Dollars)</td>
<td>Average After-Tax Federal Tax Change (Dollars)</td>
<td>Change (%) Under the Proposal</td>
<td>Change (%) Under the Proposal</td>
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<tr>
<td>Lowest Quintile</td>
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<td>10,059</td>
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<td>30,972</td>
<td>20.6</td>
<td>25,261</td>
<td>2,162</td>
<td>21,900</td>
<td>8.6</td>
<td>6.9</td>
<td>8.1</td>
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<tr>
<td>Middle Quintile</td>
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<td>19.4</td>
<td>46,073</td>
<td>7,242</td>
<td>38,832</td>
<td>15.7</td>
<td>11.9</td>
<td>12.8</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>28,494</td>
<td>19.0</td>
<td>70,771</td>
<td>14,943</td>
<td>61,830</td>
<td>19.5</td>
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<tr>
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<td>235,357</td>
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<td>26.0</td>
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<tr>
<td>All</td>
<td>150,241</td>
<td>100.0</td>
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<td>100.0</td>
<td>100.0</td>
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<td>Addendum</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>14,316</td>
<td>9.5</td>
<td>115,555</td>
<td>26,212</td>
<td>89,342</td>
<td>22.7</td>
<td>14.6</td>
<td>14.4</td>
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<tr>
<td>90-95</td>
<td>7,191</td>
<td>4.8</td>
<td>163,422</td>
<td>39,476</td>
<td>123,946</td>
<td>24.2</td>
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<td>10.1</td>
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<td>95-99</td>
<td>5,606</td>
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<td>292,160</td>
<td>75,889</td>
<td>216,271</td>
<td>26.0</td>
<td>14.5</td>
<td>13.7</td>
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<tr>
<td>Top 1 Percent</td>
<td>1,362</td>
<td>0.9</td>
<td>1,640,591</td>
<td>482,916</td>
<td>1,157,676</td>
<td>29.4</td>
<td>19.8</td>
<td>17.8</td>
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<td>Top 0.1 Percent</td>
<td>155</td>
<td>0.1</td>
<td>7,828,959</td>
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<td>5,368,103</td>
<td>31.3</td>
<td>9.4</td>
<td>8.2</td>
</tr>
</tbody>
</table>


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. 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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<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
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<tbody>
<tr>
<td></td>
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<td>Dollars</td>
<td>Percent</td>
<td>Change (% Points)</td>
<td>Under the Proposal</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>68.1</td>
<td>0.0</td>
<td>4.4</td>
<td>16.9</td>
<td>-316</td>
<td>-60.3</td>
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<td>Second Quintile</td>
<td>77.2</td>
<td>0.0</td>
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<td>15.5</td>
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<td>Middle Quintile</td>
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<td>-8.2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>97.6</td>
<td>0.0</td>
<td>1.2</td>
<td>16.3</td>
<td>-920</td>
<td>-4.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>94.2</td>
<td>0.1</td>
<td>1.1</td>
<td>33.0</td>
<td>-2,274</td>
<td>-3.2</td>
</tr>
<tr>
<td>All</td>
<td>83.6</td>
<td>0.0</td>
<td>1.6</td>
<td>100.0</td>
<td>-519</td>
<td>-5.8</td>
</tr>
</tbody>
</table>

Addendum:

| 80-90                  | 87.2                | 0.3                              | 0.7                              | 1.4                       | -160                  | -3.1                   | 0.4                   | 15.7                   | -0.7                  | 22.8                  |
| 90-95                  | 92.0                | 0.3                              | 1.4                              | 9.7                       | -2,064                | -4.0                   | 0.3                   | 14.2                   | -1.0                  | 24.4                  |
| 95-99                  | 94.9                | 0.3                              | 1.3                              | 11.0                       | -1,939                | -3.2                   | 0.3                   | 20.4                   | -1.0                  | 30.6                  |
| Top 0.1 Percent        | 98.4                | 0.0                              | 1.8                              | 5.8                       | -65,497               | -3.4                   | 0.3                   | 10.1                   | -1.2                  | 33.6                  |

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>17,979</td>
<td>27.7</td>
<td>7,659</td>
<td>516</td>
<td>7,135</td>
<td>6.7</td>
<td>5.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>14,788</td>
<td>22.8</td>
<td>14,082</td>
<td>2,070</td>
<td>17,012</td>
<td>10.9</td>
<td>10.3</td>
<td>11.7</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>12,570</td>
<td>19.4</td>
<td>54,870</td>
<td>11,411</td>
<td>43,459</td>
<td>20.8</td>
<td>21.2</td>
<td>21.4</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>10,852</td>
<td>16.2</td>
<td>151,432</td>
<td>39,958</td>
<td>111,475</td>
<td>26.4</td>
<td>48.3</td>
<td>45.3</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>8,719</td>
<td>13.4</td>
<td>64,958</td>
<td>100.0</td>
<td>64,958</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>All</td>
<td>64,958</td>
<td>100.0</td>
<td>42,053</td>
<td>8,992</td>
<td>33,060</td>
<td>21.4</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum:

| 80-90                  | 4,605     | 7.1                      | 82,197                               | 19,332                            | 62,864                  | 23.5                    | 13.9                   | 13.5                   | 15.2                  |
| 90-95                  | 2,193     | 3.4                      | 116,199                              | 28,380                            | 87,819                  | 24.4                    | 9.3                    | 9.0                    | 10.7                  |
| 95-99                  | 1,584     | 2.4                      | 201,882                              | 51,224                            | 150,659                 | 25.4                    | 11.7                   | 11.1                   | 13.9                  |
| Top 1 Percent          | 350       | 0.5                      | 1,087,949                            | 343,531                           | 744,112                 | 31.6                    | 13.5                   | 11.7                   | 19.9                  |
| Top 0.1 Percent        | 30        | 0.1                      | 5,592,992                            | 1,927,489                         | 3,623,103               | 34.7                    | 6.1                    | 5.0                    | 9.9                   |


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 an 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 annual 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 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 HOPE 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 dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% $12,921, 40% $24,393, 60% $41,924, 80% $67,748, 90% $96,780, 95% $137,143, 99% $359,711, 99.9% $1,730,730.

(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 T99-0077

**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009**

**As Reported by House Ways and Means Plus 2009 AMT Patch**

**Table - Married Tax Units Filing Jointly**

<table>
<thead>
<tr>
<th>Percent of Cash Income</th>
<th>Percent Change in Federal Tax</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Pre-Tax Income</th>
<th>Average After-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td>Dollars</td>
<td>Percent</td>
<td>Dollars</td>
<td>Dollars</td>
<td>Dollars</td>
<td>Percent</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>76.2%</td>
<td>0.0%</td>
<td>6.6%</td>
<td>4.3%</td>
<td>-877</td>
<td>-767.3</td>
<td>-0.4%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>89.7%</td>
<td>0.0%</td>
<td>3.1%</td>
<td>8.2%</td>
<td>-981</td>
<td>-57.7</td>
<td>-0.4%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>90.0%</td>
<td>0.0%</td>
<td>2.2%</td>
<td>9.0%</td>
<td>-1,101</td>
<td>-12.9%</td>
<td>-0.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>98.9%</td>
<td>0.0%</td>
<td>2.4%</td>
<td>21.2%</td>
<td>-1,905</td>
<td>-11.1%</td>
<td>-0.5%</td>
<td>14.8%</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>99.6%</td>
<td>0.0%</td>
<td>2.1%</td>
<td>59.1%</td>
<td>-4,995</td>
<td>-6.1%</td>
<td>1.6%</td>
<td>79.2%</td>
</tr>
<tr>
<td>All</td>
<td>94.5%</td>
<td>0.0%</td>
<td>2.4%</td>
<td>100.0%</td>
<td>-2,272</td>
<td>-8.0%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Addendum

<table>
<thead>
<tr>
<th>Tax Units</th>
<th>Number of Tax Units</th>
<th>Percent of Total</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate (Percent)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>6,621</td>
<td>11.1%</td>
<td>13,343</td>
<td>114</td>
<td>11,229</td>
<td>0.9%</td>
<td>1.2%</td>
<td>1.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Second</td>
<td>8,378</td>
<td>14.4%</td>
<td>32,397</td>
<td>2,801</td>
<td>29,596</td>
<td>8.0%</td>
<td>3.7%</td>
<td>4.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Middle</td>
<td>11,027</td>
<td>18.5%</td>
<td>50,438</td>
<td>8,506</td>
<td>50,932</td>
<td>14.3%</td>
<td>8.8%</td>
<td>9.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Fourth</td>
<td>14,829</td>
<td>24.9%</td>
<td>93,284</td>
<td>17,455</td>
<td>75,829</td>
<td>18.7%</td>
<td>18.6%</td>
<td>19.5%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Top</td>
<td>18,163</td>
<td>30.5%</td>
<td>178,505</td>
<td>206,454</td>
<td>186,595</td>
<td>25.9%</td>
<td>68.0%</td>
<td>65.1%</td>
<td>77.6%</td>
</tr>
<tr>
<td>All</td>
<td>59,479</td>
<td>100.0%</td>
<td>592,155</td>
<td>28,353</td>
<td>96,802</td>
<td>22.7%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Baseline Distribution of Income and Federal Taxes

by Cash Income Percentile Adjusted for Family Size, 2009

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Number of Tax Units</th>
<th>Percent of Total</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate (Percent)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>6,621</td>
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<td>11,229</td>
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<tr>
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<td>18.5%</td>
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<td>8,506</td>
<td>50,932</td>
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<td>9.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Fourth</td>
<td>14,829</td>
<td>24.9%</td>
<td>93,284</td>
<td>17,455</td>
<td>75,829</td>
<td>18.7%</td>
<td>18.6%</td>
<td>19.5%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Top</td>
<td>18,163</td>
<td>30.5%</td>
<td>178,505</td>
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<td>186,595</td>
<td>25.9%</td>
<td>68.0%</td>
<td>65.1%</td>
<td>77.6%</td>
</tr>
<tr>
<td>All</td>
<td>59,479</td>
<td>100.0%</td>
<td>592,155</td>
<td>28,353</td>
<td>96,802</td>
<td>22.7%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

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 $300. 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 $75,000 ($150,000 for joint filers); textbooks are made a qualifying expense and the credit is allowable against the AMT. Twenty percent of the credit is made refundable. Tax incentives for businesses include special allowances 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. The phase-out amount is increased to AGI $80,000 ($160,000 for joint filers); personal credits are made allowable against AMT liability. 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 $75,000 ($150,000 for joint filers); textbooks are made a qualifying expense and the credit is allowable against the AMT. Twenty percent of the credit is made refundable. Tax incentives for businesses include special allowances 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. The phase-out amount is increased to AGI $80,000 ($160,000 for joint filers); 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) 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: 20% $12,921, 40% $24,393, 60% $41,924, 80% $67,748, 90% $96,780, 95% $137,143, 99% $358,711, 99.9% $1,730,730.

(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 T09-0077

**"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 Percentile Adjusted for Family Size, 2009**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent Change in Cash Income Percentile After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>96.4 0.0 2.6 13.4</td>
<td>0.0</td>
<td>-712</td>
<td>6.8</td>
<td>4.8 18.7</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>98.7 0.0 1.9 16.8</td>
<td>0.0</td>
<td>-706</td>
<td>5.9</td>
<td>4.8 20.1</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>97.9 0.0 1.6 10.4</td>
<td>0.0</td>
<td>-2,102</td>
<td>5.9</td>
<td>4.8 20.1</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>98.8 0.0 2.1 13.4</td>
<td>0.0</td>
<td>-1,237</td>
<td>3.2</td>
<td>4.8 20.1</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>97.9 0.0 1.6 10.4</td>
<td>0.0</td>
<td>-2,102</td>
<td>5.9</td>
<td>4.8 20.1</td>
</tr>
<tr>
<td>All</td>
<td>94.7 0.0 2.8 100.0</td>
<td>0.0</td>
<td>-982</td>
<td>0.0</td>
<td>4.8 20.1</td>
</tr>
</tbody>
</table>

**Addendum**

<table>
<thead>
<tr>
<th>Income Class</th>
<th>Percent</th>
<th>Share of Total Pre-Tax Income</th>
<th>Share of Total Post-Tax Income</th>
<th>Share of Total Federal Taxes</th>
<th>Share of Total Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Second</td>
<td>99.5</td>
<td>99.5</td>
<td>99.5</td>
<td>0.0</td>
<td>99.5</td>
</tr>
<tr>
<td>Middle</td>
<td>99.0</td>
<td>99.0</td>
<td>99.0</td>
<td>0.0</td>
<td>99.0</td>
</tr>
<tr>
<td>Fourth</td>
<td>97.5</td>
<td>97.5</td>
<td>97.5</td>
<td>0.0</td>
<td>97.5</td>
</tr>
<tr>
<td>Top</td>
<td>95.0</td>
<td>95.0</td>
<td>95.0</td>
<td>0.0</td>
<td>95.0</td>
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<tr>
<td>All</td>
<td>94.7</td>
<td>94.7</td>
<td>94.7</td>
<td>0.0</td>
<td>94.7</td>
</tr>
</tbody>
</table>

**Baseline Distribution of Income and Federal Taxes by Cash Income Percentile Adjusted for Family Size, 2009**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent</th>
<th>Number (thousands)</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (dollars)</th>
<th>Percentage of Pre-Tax Income</th>
<th>Percentage of Post-Tax Income</th>
<th>Percent of Total Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>32.5</td>
<td>7,558</td>
<td>12,952</td>
<td>13,834</td>
<td>10.4</td>
<td>13.0</td>
<td>3.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>30.9</td>
<td>7,198</td>
<td>7,952</td>
<td>8,648</td>
<td>10.7</td>
<td>14.4</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>29.3</td>
<td>4,877</td>
<td>36,284</td>
<td>45,184</td>
<td>15.6</td>
<td>17.1</td>
<td>5.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>27.8</td>
<td>2,482</td>
<td>75,584</td>
<td>60,219</td>
<td>20.3</td>
<td>18.7</td>
<td>5.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>26.7</td>
<td>1,128</td>
<td>170,427</td>
<td>154,000</td>
<td>25.3</td>
<td>21.5</td>
<td>5.4</td>
<td>100.0</td>
</tr>
<tr>
<td>All</td>
<td>23.5</td>
<td>23,292</td>
<td>40,531</td>
<td>34,650</td>
<td>14.1</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tbody>
</table>

**Addendum**

<table>
<thead>
<tr>
<th>Income Class</th>
<th>Percent</th>
<th>Number (thousands)</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (dollars)</th>
<th>Percentage of Pre-Tax Income</th>
<th>Percentage of Post-Tax Income</th>
<th>Percent of Total Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>3.1</td>
<td>730</td>
<td>100,967</td>
<td>84,115</td>
<td>8.6</td>
<td>7.6</td>
<td>14.2</td>
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<tr>
<td>Second</td>
<td>0.9</td>
<td>209</td>
<td>149,881</td>
<td>113,070</td>
<td>7.3</td>
<td>7.9</td>
<td>5.8</td>
<td>100.0</td>
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<tr>
<td>Middle</td>
<td>0.7</td>
<td>158</td>
<td>276,495</td>
<td>207,418</td>
<td>7.4</td>
<td>7.4</td>
<td>5.1</td>
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<tr>
<td>Fourth</td>
<td>0.1</td>
<td>31</td>
<td>1,341,258</td>
<td>1,069,096</td>
<td>0.0</td>
<td>0.0</td>
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<td>100.0</td>
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<tr>
<td>Top</td>
<td>0.0</td>
<td>3</td>
<td>7,770,538</td>
<td>5,359,652</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>


**Additional Notes:**

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 phase-out threshold amount for joint filers is increased to $3,000 above the phase-out threshold for single and head of household tax units. The child tax credit refundability threshold is reduced to $30. The HOPE credit is made available for four years at a rate of 100% of the first $10,000 of qualified expenses for each child, textbook expenses 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 provisions for certain property purchased during 2009, bonus depreciation, and a 5 year carryback for 2008 and 2009 NOLs with exception for TARP recipients. The 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. 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 the square root of the number of people in the tax unit. The resulting percentile "breaks" are (in 2008 dollars): 20% $12,921, 40% $24,193, 60% $41,924, 80% $65,748, 90% $98,780, 95% $137,145, 99% $358,711, 0.9% $1,710,730.

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 T09-0077**


As Reported by House Ways and Means Plus 2009 AMT Patch

DISTRIBUTION OF FEDERAL TAX CHANGE BY CASH INCOME PERCENTILE ADJUSTED FOR FAMILY SIZE, 2009

Detail Table - Tax Units with Children

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>99.3</td>
<td>0.0</td>
<td>8.9</td>
<td>12.8</td>
<td>-1,374</td>
<td>112.6</td>
<td>-1.7</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>99.4</td>
<td>0.0</td>
<td>3.4</td>
<td>10.4</td>
<td>-1,088</td>
<td>-51.9</td>
<td>-1.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>99.6</td>
<td>0.0</td>
<td>2.3</td>
<td>11.9</td>
<td>-1,182</td>
<td>-12.4</td>
<td>-0.2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.8</td>
<td>0.0</td>
<td>0.1</td>
<td>23.3</td>
<td>-2,530</td>
<td>-12.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>99.3</td>
<td>0.0</td>
<td>2.3</td>
<td>41.5</td>
<td>-5,250</td>
<td>-6.4</td>
<td>3.2</td>
</tr>
<tr>
<td>All</td>
<td>99.2</td>
<td>0.0</td>
<td>2.9</td>
<td>100.0</td>
<td>-2,155</td>
<td>-10.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Addendum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>99.7</td>
<td>0.0</td>
<td>3.3</td>
<td>16.9</td>
<td>-4,082</td>
<td>-11.2</td>
<td>-0.1</td>
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<tr>
<td>90-95</td>
<td>100.0</td>
<td>0.0</td>
<td>3.4</td>
<td>10.3</td>
<td>-5,449</td>
<td>-9.8</td>
<td>0.1</td>
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<tr>
<td>95-99</td>
<td>98.2</td>
<td>0.1</td>
<td>2.6</td>
<td>8.7</td>
<td>-5,705</td>
<td>-5.3</td>
<td>1.0</td>
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<tr>
<td>Top 1 Percent</td>
<td>98.8</td>
<td>0.2</td>
<td>1.0</td>
<td>5.7</td>
<td>-15,579</td>
<td>-2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Top 1/2 Percent</td>
<td>99.2</td>
<td>0.1</td>
<td>1.5</td>
<td>3.7</td>
<td>-105,308</td>
<td>-3.2</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Note: Excludes filing and non-filing units but excludes those that are dependents of other tax units.

(3) 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. 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 T09-0077

As Reported by House Ways and Means Plus 2009 AMT Patch

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>5,675</td>
<td>19.8</td>
<td>9,958</td>
<td>227</td>
<td>9,731</td>
<td>2.3</td>
<td>2.6</td>
<td>3.1</td>
<td>0.3</td>
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<tr>
<td>Second Quintile</td>
<td>7,562</td>
<td>26.4</td>
<td>21,260</td>
<td>867</td>
<td>20,393</td>
<td>4.1</td>
<td>7.4</td>
<td>8.8</td>
<td>1.6</td>
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<tr>
<td>Middle Quintile</td>
<td>4,371</td>
<td>15.3</td>
<td>41,175</td>
<td>2,736</td>
<td>38,439</td>
<td>6.7</td>
<td>8.3</td>
<td>9.5</td>
<td>3.0</td>
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</tr>
<tr>
<td>Fourth Quintile</td>
<td>3,521</td>
<td>18.6</td>
<td>69,880</td>
<td>8,967</td>
<td>61,913</td>
<td>12.3</td>
<td>17.2</td>
<td>18.5</td>
<td>11.2</td>
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</tr>
<tr>
<td>Top Quintile</td>
<td>5,489</td>
<td>19.9</td>
<td>246,281</td>
<td>98,796</td>
<td>147,485</td>
<td>24.3</td>
<td>46.6</td>
<td>40.2</td>
<td>83.8</td>
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</tr>
<tr>
<td>All</td>
<td>28,639</td>
<td>100.0</td>
<td>75,721</td>
<td>14,178</td>
<td>61,543</td>
<td>18.7</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>10-90</td>
<td>2,500</td>
<td>8.7</td>
<td>105,355</td>
<td>17,930</td>
<td>87,423</td>
<td>17.0</td>
<td>12.1</td>
<td>12.4</td>
<td>11.0</td>
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</tr>
<tr>
<td>90-95</td>
<td>1,471</td>
<td>5.1</td>
<td>147,682</td>
<td>28,936</td>
<td>118,746</td>
<td>19.0</td>
<td>10.0</td>
<td>9.9</td>
<td>10.5</td>
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<tr>
<td>Top 1 Percent</td>
<td>391</td>
<td>1.4</td>
<td>1,451,124</td>
<td>434,456</td>
<td>1,016,668</td>
<td>29.9</td>
<td>26.1</td>
<td>22.5</td>
<td>41.8</td>
<td></td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>40</td>
<td>0.1</td>
<td>2,684,858</td>
<td>4,984,072</td>
<td>50,768</td>
<td>32.3</td>
<td>12.4</td>
<td>10.3</td>
<td>21.3</td>
<td></td>
</tr>
</tbody>
</table>


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. 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%.

(2) After-tax income is cash income minus federal, state, and local income tax; payroll taxes (Social Security and Medicare); and estate tax. The average federal tax rate is calculated as average federal tax divided by average after-tax income.

(3) The earned income tax credit is not made refundable.

(4) Business tax provisions are measured on a net present value basis.