

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

**Table T09-0080**  
**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Less than 10</b>	1.0	0.0	0.0	0.0	0	0.0	5.3
<b>10-20</b>	29.5	1.3	0.4	1.0	-62	-0.4	4.3
<b>20-30</b>	59.6	2.6	1.3	3.9	-289	-1.1	8.2
<b>30-40</b>	78.8	2.8	2.0	6.0	-610	-1.7	11.6
<b>40-50</b>	87.6	1.6	2.5	7.8	-968	-2.1	13.7
<b>50-75</b>	94.7	0.7	2.7	21.1	-1,417	-2.3	15.5
<b>75-100</b>	96.7	0.4	2.9	20.3	-2,091	-2.4	16.8
<b>100-200</b>	94.5	0.4	2.4	34.8	-2,561	-1.9	19.6
<b>200-500</b>	46.9	0.5	0.4	3.7	-963	-0.3	24.1
<b>500-1,000</b>	34.2	0.1	0.2	0.6	-916	-0.1	26.6
<b>More than 1,000</b>	58.7	0.1	0.1	0.6	-1,782	-0.1	30.3
<b>All</b>	64.3	1.2	1.6	100.0	-967	-1.3	19.8

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

Number of AMT Taxpayers (millions). Baseline: 4.633

Proposal: 10.393

(1) Calendar year. Baseline is current law plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits against AMT liability, proposal is to reduce the bottom two individual income tax rates to 5% and 10% respectively plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits 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 T09-0080**  
**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	1.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	5.3
10-20	29.5	1.3	0.4	1.0	-62	-8.8	0.0	0.7	-0.4	4.3
20-30	59.6	2.6	1.3	3.9	-289	-12.3	-0.1	1.8	-1.1	8.2
30-40	78.8	2.8	2.0	6.0	-610	-12.9	-0.2	2.7	-1.7	11.6
40-50	87.6	1.6	2.5	7.8	-968	-13.3	-0.3	3.3	-2.1	13.7
50-75	94.7	0.7	2.7	21.1	-1,417	-12.7	-0.7	9.5	-2.3	15.5
75-100	96.7	0.4	2.9	20.3	-2,091	-12.3	-0.7	9.4	-2.4	16.8
100-200	94.5	0.4	2.4	34.8	-2,561	-8.6	-0.7	23.9	-1.9	19.6
200-500	46.9	0.5	0.4	3.7	-963	-1.4	0.9	17.7	-0.3	24.1
500-1,000	34.2	0.1	0.2	0.6	-916	-0.5	0.5	8.2	-0.1	26.6
More than 1,000	58.7	0.1	0.1	0.6	-1,782	-0.2	1.3	22.5	-0.1	30.3
All	64.3	1.2	1.6	100.0	-967	-6.1	0.0	100.0	-1.3	19.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
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	51,838	17.8	12.1	12.6	10.2
75-100	14,107	9.4	88,790	17,016	71,774	19.2	11.1	11.3	10.1
100-200	19,712	13.1	138,154	29,652	108,502	21.5	24.1	24.0	24.6
200-500	5,636	3.8	291,886	71,306	220,580	24.4	14.5	13.9	16.9
500-1,000	989	0.7	695,069	185,616	509,452	26.7	6.1	5.6	7.7
More than 1,000	519	0.4	3,199,967	970,498	2,229,468	30.3	14.7	13.0	21.2
All	150,241	100.0	75,289	15,848	59,441	21.1	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 4.633

Proposal: 10.393

(1) Calendar year. Baseline is current law plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits against AMT liability, proposal is to reduce the bottom two individual income tax rates to 5% and 10% respectively plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits 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

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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 T09-0080**  
**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	1.3	0.0	0.0	0.0	0	0.0	0.1	1.1	0.0	7.9
10-20	43.6	1.9	0.7	3.4	-95	-7.6	0.0	3.2	-0.6	7.7
20-30	74.4	1.6	2.1	10.8	-448	-12.3	-0.4	5.8	-1.8	12.6
30-40	91.4	0.7	3.1	14.1	-890	-13.8	-0.5	6.7	-2.5	15.7
40-50	96.4	0.4	3.5	17.2	-1,305	-14.6	-0.7	7.7	-2.9	16.7
50-75	97.4	0.2	3.1	30.3	-1,531	-11.4	-0.9	18.1	-2.5	19.2
75-100	96.7	0.2	2.3	12.5	-1,571	-7.6	-0.1	11.6	-1.8	21.8
100-200	91.2	0.3	1.4	10.3	-1,431	-4.4	0.5	17.1	-1.1	23.2
200-500	47.5	0.1	0.3	1.1	-631	-0.8	0.7	10.3	-0.2	25.8
500-1,000	42.6	0.0	0.1	0.2	-641	-0.3	0.3	4.7	-0.1	28.3
More than 1,000	51.5	0.0	0.0	0.1	-841	-0.1	1.0	13.7	0.0	34.0
All	60.7	0.8	1.9	100.0	-634	-7.1	0.0	100.0	-1.5	19.8

**Baseline Distribution of Income and Federal Taxes  
by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
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	13,477	48,673	21.7	18.6	18.5	18.9
75-100	3,264	5.0	87,974	20,737	67,237	23.6	10.5	10.2	11.7
100-200	2,958	4.6	134,418	32,607	101,811	24.3	14.6	14.0	16.6
200-500	730	1.1	295,280	76,691	218,589	26.0	7.9	7.4	9.6
500-1,000	130	0.2	694,203	197,336	496,868	28.4	3.3	3.0	4.4
More than 1,000	69	0.1	3,156,727	1,074,825	2,081,902	34.1	7.9	6.7	12.7
All	64,958	100.0	42,053	8,948	33,104	21.3	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits against AMT liability, proposal is to reduce the bottom two individual income tax rates to 5% and 10% respectively plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits 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

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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 T09-080**  
**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	5.3
10-20	2.2	0.3	0.0	0.0	-1	-0.3	0.0	0.1	0.0	2.9
20-30	33.6	3.1	0.3	0.3	-62	-5.0	0.0	0.4	-0.3	4.7
30-40	55.1	5.1	0.7	1.0	-228	-8.0	0.0	0.7	-0.6	7.4
40-50	71.3	3.8	1.2	2.1	-501	-9.7	-0.1	1.1	-1.1	10.2
50-75	92.3	1.3	2.4	14.2	-1,304	-13.9	-0.5	5.1	-2.0	12.6
75-100	97.4	0.4	3.2	24.5	-2,344	-15.1	-0.9	8.1	-2.6	14.8
100-200	96.5	0.4	2.6	50.6	-2,855	-9.8	-1.3	27.0	-2.1	18.8
200-500	48.0	0.5	0.5	5.5	-1,045	-1.5	0.9	21.4	-0.4	23.8
500-1,000	33.0	0.1	0.2	0.9	-971	-0.5	0.5	9.9	-0.1	26.3
More than 1,000	60.1	0.1	0.1	1.0	-1,967	-0.2	1.4	26.2	-0.1	29.7
All	71.6	1.3	1.5	100.0	-1,501	-5.5	0.0	100.0	-1.2	20.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
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	29,060	110,212	20.9	29.6	30.0	28.3
200-500	4,725	7.9	291,151	70,390	220,762	24.2	18.5	17.9	20.5
500-1,000	827	1.4	695,396	183,650	511,746	26.4	7.7	7.3	9.4
More than 1,000	430	0.7	3,148,057	936,102	2,211,954	29.7	18.2	16.3	24.8
All	59,479	100.0	125,155	27,286	97,869	21.8	100.0	100.0	100.0

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

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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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**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	-0.1	-0.9	0.0	-7.1
10-20	6.4	0.6	0.0	0.2	-6	0.7	-0.4	-3.5	0.0	-5.4
20-30	51.9	4.6	0.7	5.7	-160	-26.7	-0.4	1.7	-0.6	1.7
30-40	80.1	4.3	1.5	13.8	-488	-14.3	-0.5	9.0	-1.4	8.3
40-50	92.1	1.0	2.2	16.2	-883	-13.8	-0.5	11.0	-1.9	12.0
50-75	95.1	0.4	2.9	38.5	-1,474	-13.8	-1.2	26.1	-2.4	14.8
75-100	93.3	0.5	2.5	17.2	-1,728	-9.8	0.0	17.1	-2.0	18.1
100-200	76.4	1.1	1.3	8.0	-1,284	-4.3	1.1	19.2	-1.0	21.7
200-500	13.4	0.0	0.1	0.2	-192	-0.3	0.8	8.2	-0.1	24.1
500-1,000	33.4	0.0	0.1	0.1	-716	-0.4	0.3	3.2	-0.1	26.5
More than 1,000	57.1	0.0	0.1	0.1	-1,271	-0.1	0.9	8.9	0.0	30.3
All	54.0	1.9	1.6	100.0	-541	-9.8	0.0	100.0	-1.3	12.3

**Baseline Distribution of Income and Federal Taxes  
by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
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	10,662	51,271	17.2	21.7	20.8	27.3
75-100	1,254	5.4	87,576	17,570	70,006	20.1	11.7	10.8	17.1
100-200	786	3.4	130,519	29,659	100,860	22.7	10.9	9.8	18.1
200-500	132	0.6	298,070	71,978	226,092	24.2	4.2	3.7	7.4
500-1,000	21	0.1	683,864	182,182	501,683	26.6	1.5	1.3	2.9
More than 1,000	11	0.1	3,070,023	932,783	2,137,240	30.4	3.6	2.9	8.0
All	23,292	100.0	40,351	5,521	34,830	13.7	100.0	100.0	100.0

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

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**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-11.4
10-20	3.1	0.6	0.0	0.0	-3	0.2	-0.1	-0.9	0.0	-9.1
20-30	40.0	3.9	0.4	1.2	-113	127.6	-0.1	-0.1	-0.5	-0.8
30-40	74.3	5.1	1.2	3.4	-384	-13.7	-0.1	1.3	-1.1	6.8
40-50	86.4	2.9	1.7	4.9	-692	-12.1	-0.2	2.1	-1.5	11.0
50-75	92.8	1.4	2.4	17.7	-1,270	-12.9	-0.6	7.2	-2.0	13.6
75-100	96.7	0.5	2.9	23.1	-2,099	-13.1	-0.8	9.2	-2.4	15.6
100-200	94.0	0.5	2.4	44.6	-2,593	-9.0	-1.0	27.2	-1.9	19.0
200-500	36.2	0.7	0.3	3.4	-670	-0.9	1.0	21.4	-0.2	24.4
500-1,000	30.9	0.1	0.2	0.8	-907	-0.5	0.5	9.4	-0.1	27.2
More than 1,000	67.6	0.1	0.1	0.9	-2,196	-0.2	1.3	23.2	-0.1	30.4
All	65.5	1.7	1.5	100.0	-1,102	-5.7	0.0	100.0	-1.2	19.3

**Baseline Distribution of Income and Federal Taxes  
by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
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	40,115	12.5	3.8	4.1	2.3
50-75	7,394	15.4	63,220	9,872	53,348	15.6	10.2	10.8	7.8
75-100	5,839	12.1	89,123	15,987	73,136	17.9	11.4	11.7	10.0
100-200	9,103	18.9	139,015	28,984	110,031	20.9	27.6	27.5	28.2
200-500	2,690	5.6	288,713	71,024	217,689	24.6	17.0	16.1	20.4
500-1,000	442	0.9	693,043	189,292	503,751	27.3	6.7	6.1	8.9
More than 1,000	212	0.4	3,179,388	969,825	2,209,563	30.5	14.7	12.9	22.0
All	48,094	100.0	95,281	19,468	75,813	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.

(1) Calendar year. Baseline is current law plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits against AMT liability, proposal is to reduce the bottom two individual income tax rates to 5% and 10% respectively plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits 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 T09-0080**  
**Reduce Bottom Two Individual Income Tax Rates to 5 and 10 Percent with 2009 AMT Patch**  
**Baseline: Current Law with 2009 AMT Patch**  
**Distribution of Federal Tax Change by Cash Income Level, 2009<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.8
10-20	11.5	0.1	0.2	0.7	-22	-5.5	0.0	0.7	-0.2	2.5
20-30	35.1	0.3	0.5	2.2	-117	-9.2	-0.1	1.2	-0.5	4.6
30-40	48.6	0.4	0.7	2.3	-234	-11.1	-0.1	1.1	-0.7	5.3
40-50	64.1	0.4	1.4	4.5	-572	-16.2	-0.2	1.4	-1.2	6.4
50-75	90.9	0.3	2.2	23.1	-1,233	-17.1	-0.9	6.5	-1.9	9.5
75-100	95.4	0.4	2.7	23.8	-2,050	-16.2	-0.9	7.1	-2.3	12.0
100-200	93.9	0.2	2.2	35.9	-2,461	-9.8	-0.9	19.1	-1.8	16.4
200-500	62.1	0.1	0.6	6.4	-1,286	-1.9	0.7	19.2	-0.4	22.4
500-1,000	28.3	0.0	0.1	0.7	-681	-0.4	0.6	10.9	-0.1	26.8
More than 1,000	39.3	0.0	0.1	0.7	-1,123	-0.1	1.8	32.6	0.0	31.0
All	49.8	0.2	1.2	100.0	-765	-5.5	0.0	100.0	-1.0	17.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009<sup>1</sup>**

Cash Income Level (thousands of 2008 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
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	25,035	112,766	18.2	20.3	20.3	20.0
200-500	1,082	3.8	298,445	68,099	230,346	22.8	14.9	14.1	18.5
500-1,000	221	0.8	696,175	187,072	509,103	26.9	7.1	6.4	10.4
More than 1,000	126	0.4	3,134,426	974,103	2,160,323	31.1	18.2	15.4	30.8
All	28,639	100.0	75,721	13,915	61,806	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.

(1) Calendar year. Baseline is current law plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits against AMT liability, proposal is to reduce the bottom two individual income tax rates to 5% and 10% respectively plus an AMT patch which increases exemptions to \$46,700 (\$70,950 for joint filers) for 2009 and includes the allowance of personal credits 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

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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.