Table T09-0083

Repeal the 85 Percent Inclusion Rate for Social Security Benefits
Distribution of Federal Tax Change by Cash Income Percentile, 2009 ¹

Summary Table

<table>
<thead>
<tr>
<th>Cash Income Percentile ²,³</th>
<th>Percent of Tax Units ⁴</th>
<th>Percent Change in After-Tax Income ⁵</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>9.7</td>
<td>-54</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>10.1</td>
<td>0.0</td>
<td>0.3</td>
<td>34.8</td>
<td>-232</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>18.8</td>
<td>0.0</td>
<td>0.3</td>
<td>55.5</td>
<td>-417</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>17.3</td>
<td>0.0</td>
<td>0.2</td>
<td>100.0</td>
<td>-112</td>
</tr>
<tr>
<td>All</td>
<td>7.8</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th></th>
<th>Percent of Tax Units ⁴</th>
<th>Percent Change in After-Tax Income ⁵</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate ⁶</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>16.0</td>
<td>0.0</td>
<td>0.3</td>
<td>22.3</td>
<td>-332</td>
</tr>
<tr>
<td>90-95</td>
<td>16.3</td>
<td>0.0</td>
<td>0.3</td>
<td>13.3</td>
<td>-409</td>
</tr>
<tr>
<td>95-99</td>
<td>20.0</td>
<td>0.0</td>
<td>0.2</td>
<td>15.1</td>
<td>-569</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>23.5</td>
<td>0.0</td>
<td>0.1</td>
<td>4.8</td>
<td>-707</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>24.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.6</td>
<td>-805</td>
</tr>
</tbody>
</table>

Number of AMT Taxpayers (millions). Baseline: 30.339 Proposal: 29.656

1. Calendar year. Baseline is current law. Proposal repeals the 85 percent inclusion rate for Social Security benefits for those with modified AGI greater than $34,000 ($44,000, for married couples filing jointly).
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 T09-0083
### Repeal the 85 Percent Inclusion Rate for Social Security Benefits
#### Distribution of Federal Tax Change by Cash Income Percentile, 2009

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Unitsa</th>
<th>Percent Change in After-Tax Incomeb</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 Ratec</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>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>10.1</td>
<td>0.0</td>
<td>9.7</td>
<td>-54</td>
<td>-0.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>18.8</td>
<td>0.0</td>
<td>34.8</td>
<td>-232</td>
<td>-1.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>17.3</td>
<td>0.0</td>
<td>55.5</td>
<td>-417</td>
<td>-0.6</td>
<td>0.1</td>
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<tr>
<td>All</td>
<td>7.8</td>
<td>0.0</td>
<td>100.0</td>
<td>-112</td>
<td>-0.7</td>
<td>0.0</td>
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</tbody>
</table>

**Addendum**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Unitsa</th>
<th>Percent Change in After-Tax Incomeb</th>
<th>Share of Total Federal Tax Change</th>
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<th>Share of Federal Taxes</th>
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</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>16.0</td>
<td>0.0</td>
<td>0.3</td>
<td>22.3</td>
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<td>-0.1</td>
</tr>
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<td>13.3</td>
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</tr>
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<td>0.2</td>
<td>13.4</td>
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<td>0.0</td>
</tr>
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<td>23.5</td>
<td>0.0</td>
<td>0.1</td>
<td>4.8</td>
<td>-707</td>
<td>0.1</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>24.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-805</td>
<td>0.1</td>
</tr>
</tbody>
</table>

### Baseline Distribution of Income and Federal Taxes
#### by Cash Income Percentile, 2009

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Unitsd</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Incomed</th>
<th>Average Federal Tax Change</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
<th>Percent Change (%) Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>39,102</td>
<td>26.0</td>
<td>10,744</td>
<td>501</td>
<td>10,243</td>
<td>4.7</td>
<td>3.7</td>
<td>4.5</td>
<td>0.8</td>
<td>14.1</td>
<td>13.5</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>32,942</td>
<td>21.9</td>
<td>28,057</td>
<td>2,980</td>
<td>25,076</td>
<td>10.6</td>
<td>8.2</td>
<td>9.3</td>
<td>4.0</td>
<td>14.7</td>
<td>13.8</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>30,075</td>
<td>20.0</td>
<td>51,924</td>
<td>8,717</td>
<td>43,207</td>
<td>16.8</td>
<td>13.8</td>
<td>14.7</td>
<td>10.7</td>
<td>19.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>25,152</td>
<td>16.7</td>
<td>87,992</td>
<td>17,415</td>
<td>70,577</td>
<td>19.8</td>
<td>19.6</td>
<td>20.0</td>
<td>17.9</td>
<td>25.9</td>
<td>23.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>22,287</td>
<td>14.8</td>
<td>279,244</td>
<td>78,962</td>
<td>200,282</td>
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<td>66.5</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>All</td>
<td>150,241</td>
<td>100.0</td>
<td>75,289</td>
<td>16,327</td>
<td>58,962</td>
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<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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</tbody>
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**Addendum**

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<th>Cash Income Percentile</th>
<th>Tax Unitsd</th>
<th>Average Income (Dollars)</th>
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<th>Share of Federal Taxes</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
<th>Percent Change (%) Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>11,264</td>
<td>135,143</td>
<td>50,642</td>
<td>104,500</td>
<td>22.7</td>
<td>13.5</td>
<td>13.5</td>
<td>14.1</td>
<td>13.6</td>
<td>16.3</td>
<td>13.5</td>
</tr>
<tr>
<td>90-95</td>
<td>5,439</td>
<td>3,6</td>
<td>46,915</td>
<td>145,351</td>
<td>24.4</td>
<td>9.3</td>
<td>8.9</td>
<td>10.4</td>
<td>14.0</td>
<td>11.0</td>
<td>10.4</td>
</tr>
<tr>
<td>95-99</td>
<td>4,454</td>
<td>3.0</td>
<td>89,899</td>
<td>251,086</td>
<td>26.4</td>
<td>13.4</td>
<td>12.6</td>
<td>16.3</td>
<td>19.0</td>
<td>16.3</td>
<td>16.3</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>1,131</td>
<td>1,889,937</td>
<td>558,384</td>
<td>1,331,553</td>
<td>29.6</td>
<td>18.9</td>
<td>17.0</td>
<td>25.7</td>
<td>18.9</td>
<td>18.9</td>
<td>18.9</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>114</td>
<td>8,929,410</td>
<td>2,798,307</td>
<td>6,131,103</td>
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<td>7.9</td>
<td>13.0</td>
<td>7.9</td>
<td>7.9</td>
<td>13.0</td>
</tr>
</tbody>
</table>


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### Preliminary Results

http://www.taxpolicycenter.org

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

#### Table T09-0083

<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 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>Change (%) Under the Proposal</td>
<td>Change (%) Under the Proposal</td>
</tr>
<tr>
<td>Lowest Quintile</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.2</td>
<td>0.0</td>
<td>0.1</td>
<td>1.8</td>
<td>-10</td>
<td>-1.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>18.3</td>
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<td>-1.0</td>
<td>-0.1</td>
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<tr>
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<td>72.2</td>
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<td>71.0</td>
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<tr>
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<td>-112</td>
<td>0.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Addendum</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>80-90</td>
<td>17.6</td>
<td>0.0</td>
<td>26.8</td>
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<td>-1.2</td>
<td>15.2</td>
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<td>90-95</td>
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<td>95-99</td>
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<td>6.6</td>
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<td>0.8</td>
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<td>13.6</td>
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</tbody>
</table>


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

#### Table T09-0083

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units (thousands)</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Change</th>
<th>Share of Pre-Tax Income Percent of Total</th>
<th>Share of Post-Tax Income Percent of Total</th>
<th>Share of Federal Taxes Percent of Total</th>
<th>Average Federal Tax Rate (Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>32,429</td>
<td>10,059</td>
<td>9,946</td>
<td>1.1</td>
<td>2.9</td>
<td>3.6</td>
<td>0.2</td>
<td>58.7</td>
<td>21.6</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>30,972</td>
<td>25,261</td>
<td>23,100</td>
<td>15.7</td>
<td>11.9</td>
<td>12.8</td>
<td>8.6</td>
<td>19.2</td>
<td>17.4</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>29,186</td>
<td>46,073</td>
<td>38,832</td>
<td>17.3</td>
<td>19.3</td>
<td>19.8</td>
<td>17.4</td>
<td>21.5</td>
<td>19.3</td>
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<tr>
<td>Fourth Quintile</td>
<td>28,494</td>
<td>76,773</td>
<td>61,830</td>
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<td>19.3</td>
<td>19.8</td>
<td>17.4</td>
<td>21.5</td>
<td>19.3</td>
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<td>Top Quintile</td>
<td>28,475</td>
<td>235,357</td>
<td>174,170</td>
<td>26.0</td>
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<td>56.0</td>
<td>71.0</td>
<td>21.5</td>
<td>19.3</td>
</tr>
<tr>
<td>All</td>
<td>150,241</td>
<td>75,289</td>
<td>58,962</td>
<td>21.7</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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</table>

Addendum

<table>
<thead>
<tr>
<th></th>
<th>Number (thousands)</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 Change</th>
<th>Share of Pre-Tax Income Percent of Total</th>
<th>Share of Post-Tax Income Percent of Total</th>
<th>Share of Federal Taxes Percent of Total</th>
<th>Average Federal Tax Rate (Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>14,316</td>
<td>9.5</td>
<td>113,555</td>
<td>26,212</td>
<td>89,342</td>
<td>22.7</td>
<td>14.6</td>
<td>14.4</td>
<td>15.3</td>
<td>13.5</td>
</tr>
<tr>
<td>90-95</td>
<td>7,191</td>
<td>4.8</td>
<td>39,476</td>
<td>123,946</td>
<td>104.0</td>
<td>10.1</td>
<td>11.6</td>
<td>10.1</td>
<td>11.6</td>
<td>10.1</td>
</tr>
<tr>
<td>95-99</td>
<td>5,606</td>
<td>3.7</td>
<td>75,889</td>
<td>216,271</td>
<td>145.0</td>
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<td>17.3</td>
<td>13.7</td>
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<tr>
<td>Top 1 Percent</td>
<td>1,362</td>
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<td>1,640,591</td>
<td>482,916</td>
<td>1,157,676</td>
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<td>19.8</td>
<td>17.8</td>
<td>26.8</td>
<td>13.5</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>135</td>
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<td>7,862,950</td>
<td>2,460,647</td>
<td>5,402,303</td>
<td>31.3</td>
<td>9.4</td>
<td>8.2</td>
<td>13.5</td>
<td>8.2</td>
</tr>
</tbody>
</table>


### Notes:

1. Calendar year. Baseline is current law. Proposal repeals the 85 percent inclusion rate for Social Security benefits for those with modified AGI greater than $34,000 ($44,000, for married couples filing jointly).

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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>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units With Tax Cut</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 Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate Change (% Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.7</td>
<td>0.4</td>
<td>-1</td>
<td>-1.0</td>
<td>0.0</td>
<td>12.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>16.3</td>
<td>0.3</td>
<td>-114</td>
<td>-20.6</td>
<td>-0.2</td>
<td>20.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>21.0</td>
<td>0.3</td>
<td>71.1</td>
<td>-0.9</td>
<td>-0.1</td>
<td>59.6</td>
</tr>
<tr>
<td>All</td>
<td>5.6</td>
<td>0.2</td>
<td>100.0</td>
<td>-0.7</td>
<td>0.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th>Quintile</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 Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate Change (% Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>17.7</td>
<td>0.4</td>
<td>27.5</td>
<td>-251</td>
<td>-0.1</td>
<td>15.2</td>
</tr>
<tr>
<td>90-95</td>
<td>21.8</td>
<td>0.4</td>
<td>18.4</td>
<td>-352</td>
<td>-0.1</td>
<td>10.6</td>
</tr>
<tr>
<td>95-99</td>
<td>26.3</td>
<td>0.3</td>
<td>19.1</td>
<td>-506</td>
<td>0.0</td>
<td>13.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quintile</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 Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate Change (% Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 1 Percent</td>
<td>35.7</td>
<td>0.1</td>
<td>6.1</td>
<td>-761</td>
<td>0.1</td>
<td>20.0</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>35.7</td>
<td>0.0</td>
<td>0.6</td>
<td>-813</td>
<td>0.0</td>
<td>9.9</td>
</tr>
</tbody>
</table>


1. Calendar year. Baseline is current law. Proposal repeals the 85 percent inclusion rate for Social Security benefits for those with modified AGI greater than $34,000 ($44,000, for married couples filing jointly).
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Table T09-0083
Repeal the 85 Percent Inclusion Rate for Social Security Benefits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</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</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 Quintile</td>
<td>17,979</td>
<td>7,650</td>
<td>516</td>
<td>7,135</td>
<td>6.7</td>
<td>5.0</td>
<td>6.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>14,788</td>
<td>19,082</td>
<td>2,070</td>
<td>17,012</td>
<td>10.9</td>
<td>10.3</td>
<td>11.7</td>
<td>5.2</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>33,514</td>
<td>5,946</td>
<td>27,569</td>
<td>21.2</td>
<td>21.3</td>
<td>21.3</td>
<td>21.3</td>
<td>21.3</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>10,552</td>
<td>11,411</td>
<td>43,459</td>
<td>21.4</td>
<td>21.4</td>
<td>21.4</td>
<td>21.4</td>
<td>21.4</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>8,719</td>
<td>39,958</td>
<td>151,432</td>
<td>48.3</td>
<td>48.3</td>
<td>48.3</td>
<td>48.3</td>
<td>48.3</td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Percent of Tax Units</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</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>80-90</td>
<td>4,605</td>
<td>82,197</td>
<td>19,332</td>
<td>62,864</td>
<td>23.5</td>
<td>13.9</td>
<td>13.9</td>
<td>15.2</td>
</tr>
<tr>
<td>90-95</td>
<td>2,193</td>
<td>116,199</td>
<td>28,380</td>
<td>87,819</td>
<td>24.4</td>
<td>9.3</td>
<td>9.3</td>
<td>10.7</td>
</tr>
<tr>
<td>95-99</td>
<td>1,584</td>
<td>108,882</td>
<td>51,224</td>
<td>57,659</td>
<td>25.4</td>
<td>11.7</td>
<td>11.7</td>
<td>13.9</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>338</td>
<td>1,087,643</td>
<td>343,531</td>
<td>744,112</td>
<td>31.6</td>
<td>13.5</td>
<td>13.5</td>
<td>19.9</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>30</td>
<td>5,550,922</td>
<td>1,927,459</td>
<td>3,623,063</td>
<td>34.7</td>
<td>6.1</td>
<td>6.1</td>
<td>9.9</td>
</tr>
</tbody>
</table>
### Table T09-0083
Repeal the 85 Percent Inclusion Rate for Social Security Benefits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009

#### 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 of Tax Units&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income&lt;sup&gt;2&lt;/sup&gt; (Dollars)</th>
<th>Average Federal Tax Rate&lt;sup&gt;6&lt;/sup&gt;</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></td>
<td>Number (thousands)</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>6,621</td>
<td>11.1</td>
<td>13,343</td>
<td>114</td>
<td>13,229</td>
<td>0.9</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>8,578</td>
<td>14.4</td>
<td>32,397</td>
<td>2,601</td>
<td>29,796</td>
<td>8.0</td>
<td>3.7</td>
<td>4.4</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>11,027</td>
<td>18.5</td>
<td>59,438</td>
<td>5,506</td>
<td>50,932</td>
<td>14.3</td>
<td>8.8</td>
<td>9.8</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>14,829</td>
<td>24.9</td>
<td>87,497</td>
<td>12,455</td>
<td>75,042</td>
<td>18.7</td>
<td>18.5</td>
<td>19.5</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>20,046</td>
<td>33.5</td>
<td>150,424</td>
<td>27,320</td>
<td>123,104</td>
<td>22.2</td>
<td>25.9</td>
<td>30.9</td>
</tr>
<tr>
<td>All</td>
<td>59,479</td>
<td>100.0</td>
<td>598,975</td>
<td>96,802</td>
<td>499,173</td>
<td>22.7</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income&lt;sup&gt;2&lt;/sup&gt; (Dollars)</th>
<th>Average Federal Tax Rate&lt;sup&gt;6&lt;/sup&gt;</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></td>
<td>Number (thousands)</td>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>8,717</td>
<td>14.7</td>
<td>134,567</td>
<td>30,028</td>
<td>104,539</td>
<td>22.3</td>
<td>15.8</td>
<td>15.8</td>
</tr>
<tr>
<td>90-95</td>
<td>4,708</td>
<td>7.9</td>
<td>186,829</td>
<td>44,969</td>
<td>141,860</td>
<td>24.0</td>
<td>11.8</td>
<td>11.6</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>965</td>
<td>1.6</td>
<td>1,813,978</td>
<td>525,568</td>
<td>1,288,411</td>
<td>29.0</td>
<td>23.5</td>
<td>21.6</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>97</td>
<td>0.2</td>
<td>8,464,842</td>
<td>5,573,746</td>
<td>2,891,106</td>
<td>30.6</td>
<td>11.1</td>
<td>9.9</td>
</tr>
</tbody>
</table>


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<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 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>Change (%)</td>
<td>Under the Proposal</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-5.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>2.1</td>
<td>0.0</td>
<td>0.0</td>
<td>16.3</td>
<td>-11</td>
<td>-0.1</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>5.6</td>
<td>0.0</td>
<td>0.1</td>
<td>40.7</td>
<td>-52</td>
<td>-0.3</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>7.2</td>
<td>0.0</td>
<td>0.1</td>
<td>42.5</td>
<td>-120</td>
<td>-0.3</td>
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<tr>
<td>All</td>
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<td>0.0</td>
<td>0.0</td>
<td>100.0</td>
<td>-14</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

Addendum

| 80-90                  | 6.2                  | 0.0                               | 0.1                              | 22.4                      | -98                   | -0.4                    | 0.0                     | 23.4                    |
| 90-95                  | 7.8                  | 0.0                               | 0.1                              | 8.5                       | -130                  | -0.4                    | 0.0                     | 24.5                    |
| 95-99                  | 11.2                 | 0.0                               | 0.1                              | 9.8                       | -197                  | -0.3                    | 0.0                     | 24.9                    |
| Top 1 Percent          | 8.9                  | 0.0                               | 0.0                              | 1.9                       | -190                  | 0.0                     | 0.0                     | 29.2                    |
| Top 0.1 Percent        | 7.4                  | 0.0                               | 0.0                              | 0.1                       | -166                  | 0.0                     | 0.0                     | 31.0                    |

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Table T09-0083
Repeal the 85 Percent Inclusion Rate for Social Security Benefits
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009 ¹
Detail Table - Head of Household Tax Units

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units</th>
<th>Average Income</th>
<th>Average Federal Tax Burden</th>
<th>Average After-Tax Income</th>
<th>Average Federal Tax Rate</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></td>
<td>Number</td>
<td>Percent of Total</td>
<td>(Dollars)</td>
<td>(Dollars)</td>
<td>(Dollars)</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>7,558</td>
<td>32.5</td>
<td>12,952</td>
<td>-882</td>
<td>13,834</td>
<td>-6.8</td>
<td>10.4</td>
<td>13.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>7,198</td>
<td>30.9</td>
<td>29,592</td>
<td>1,748</td>
<td>27,844</td>
<td>5.9</td>
<td>22.7</td>
<td>24.8</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>4,877</td>
<td>20.9</td>
<td>49,284</td>
<td>7,665</td>
<td>41,618</td>
<td>15.6</td>
<td>25.6</td>
<td>25.2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>2,482</td>
<td>10.7</td>
<td>75,584</td>
<td>15,365</td>
<td>60,219</td>
<td>20.3</td>
<td>20.0</td>
<td>18.5</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>1,128</td>
<td>4.8</td>
<td>179,427</td>
<td>45,427</td>
<td>134,000</td>
<td>25.3</td>
<td>21.5</td>
<td>18.7</td>
</tr>
<tr>
<td>All</td>
<td>23,292</td>
<td>100.0</td>
<td>7,770,538</td>
<td>2,410,886</td>
<td>5,359,652</td>
<td>14.1</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum

| 80-90                  | 730       | 3.1             | 109,967                   | 25,852                  | 84,115                  | 23.5                    | 8.6                      | 7.6                    | 14.2                   |
| 90-95                  | 209       | 0.9             | 149,883                   | 36,811                  | 113,070                 | 24.6                    | 3.3                      | 2.9                    | 5.8                    |
| 95-99                  | 158       | 0.7             | 276,495                   | 69,076                  | 207,418                 | 25.0                    | 4.7                      | 4.1                    | 8.2                    |
| Top 1 Percent          | 31        | 0.1             | 1,510,258                 | 441,162                 | 1,069,096               | 29.2                    | 5.0                      | 4.1                    | 10.4                   |
| Top 0.1 Percent        | 3         | 0.0             | 7,770,538                 | 2,410,886               | 5,359,652               | 31.0                    | 2.3                      | 1.8                    | 5.0                    |


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(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 T09-0083

**Repeal the 85 Percent Inclusion Rate for Social Security Benefits**

**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 Percentile1,2</th>
<th>Percent of Tax Units3</th>
<th>Percent Change in After-Tax Income4</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 Rate6</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 (% Points)</td>
<td>Under the Proposal</td>
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<td>Lowest Quintile</td>
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<td>0.0</td>
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</tr>
<tr>
<td>Second Quintile</td>
<td>0.1</td>
<td>0.0</td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Middle Quintile</td>
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<td>0.0</td>
<td>16.4</td>
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</tr>
<tr>
<td>Fourth Quintile</td>
<td>2.9</td>
<td>0.0</td>
<td>37.5</td>
<td>-39</td>
<td>-0.2</td>
<td>20.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>2.6</td>
<td>0.0</td>
<td>45.7</td>
<td>-56</td>
<td>-0.1</td>
<td>68.9</td>
</tr>
<tr>
<td>All</td>
<td>1.7</td>
<td>0.0</td>
<td>100.0</td>
<td>-21</td>
<td>-0.1</td>
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**Addendum**

<table>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>(thousands)</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
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<tr>
<td>95-99</td>
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<td>392,713</td>
<td>106,796</td>
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<td>Top 1 Percent</td>
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<td>2,144,629</td>
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<td>1,500,489</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>37</td>
<td>0.1</td>
<td>10,295,847</td>
<td>3,201,631</td>
<td>7,094,216</td>
<td>31.1</td>
<td>8.3</td>
<td>7.3</td>
<td>12.0</td>
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</table>

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

<table>
<thead>
<tr>
<th>Cash Income Percentile1,2</th>
<th>Tax Units1</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-tax Income2</th>
<th>Average Federal Tax Change</th>
<th>Share of Pre-tax Income</th>
<th>Share of After-tax Income</th>
<th>Share of Federal Taxes</th>
<th>Share of Post-tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(thousands)</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>9,648</td>
<td>20.1</td>
<td>14,150</td>
<td>1,220</td>
<td>15,370</td>
<td>-8.6</td>
<td>3.0</td>
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<td>-1.2</td>
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<tr>
<td>Second Quintile</td>
<td>10,138</td>
<td>21.1</td>
<td>33,628</td>
<td>2,036</td>
<td>31,591</td>
<td>6.1</td>
<td>7.4</td>
<td>8.9</td>
<td>2.1</td>
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</tr>
<tr>
<td>Middle Quintile</td>
<td>10,440</td>
<td>21.7</td>
<td>61,157</td>
<td>9,541</td>
<td>51,616</td>
<td>15.6</td>
<td>13.9</td>
<td>15.0</td>
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</tr>
<tr>
<td>Fourth Quintile</td>
<td>9,539</td>
<td>19.8</td>
<td>101,199</td>
<td>13,556</td>
<td>87,643</td>
<td>20.4</td>
<td>21.1</td>
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<tr>
<td>Top Quintile</td>
<td>8,194</td>
<td>17.0</td>
<td>306,666</td>
<td>82,662</td>
<td>224,004</td>
<td>27.0</td>
<td>54.8</td>
<td>51.0</td>
<td>68.9</td>
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<tr>
<td>All</td>
<td>48,094</td>
<td>100.0</td>
<td>95,281</td>
<td>20,453</td>
<td>74,827</td>
<td>21.5</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Source:

### Notes:
1. Calendar year. Baseline is current law. Proposal repeals the 85 percent inclusion rate for Social Security benefits for those with modified AGI greater than $34,000 ($44,000, for married couples filing jointly).
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](http://www.taxpolicycenter.org/TaxModel/income.cfm).
3. The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2008 dollars): 20% $12,921, 40% $24,393, 60% $41,924, 80% $67,748, 90% $96,780, 95% $137,143, 99% $359,711, 99.9% $1,730,730.
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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.
## Preliminary Results

http://www.taxpolicycenter.org

### 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 of Tax Units</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</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 Quintile</td>
<td>5,675</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>
</tr>
<tr>
<td>Second Quintile</td>
<td>7,562</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>
</tr>
<tr>
<td>Middle Quintile</td>
<td>4,371</td>
<td>41,175</td>
<td>2,776</td>
<td>38,398</td>
<td>6.7</td>
<td>8.3</td>
<td>9.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>5,321</td>
<td>89,830</td>
<td>6,131</td>
<td>83,699</td>
<td>12.3</td>
<td>17.2</td>
<td>18.5</td>
<td>11.2</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>5,689</td>
<td>246,281</td>
<td>59,798</td>
<td>186,483</td>
<td>24.3</td>
<td>64.6</td>
<td>60.2</td>
<td>83.8</td>
</tr>
<tr>
<td>All</td>
<td>28,659</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>
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</tbody>
</table>

### Addendum

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percent of Tax Units</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</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>80-90</td>
<td>2,500</td>
<td>105,353</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>
</tr>
<tr>
<td>90-95</td>
<td>1,471</td>
<td>147,862</td>
<td>28,932</td>
<td>118,931</td>
<td>19.6</td>
<td>10.0</td>
<td>9.9</td>
<td>10.5</td>
</tr>
<tr>
<td>95-99</td>
<td>1,329</td>
<td>266,234</td>
<td>62,613</td>
<td>203,621</td>
<td>23.5</td>
<td>16.3</td>
<td>15.4</td>
<td>20.5</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>391</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>
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<tr>
<td>Top 0.1 Percent</td>
<td>48</td>
<td>6,708,855</td>
<td>2,184,214</td>
<td>4,524,672</td>
<td>32.3</td>
<td>12.4</td>
<td>10.3</td>
<td>21.3</td>
</tr>
</tbody>
</table>


Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

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### Table T09-0083

**Repeal the 85 Percent Inclusion Rate for Social Security Benefits**

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

**Detail Table - Elderly Tax Units**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</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</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 Quintile</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>-1.1</td>
<td>0.0</td>
<td>0.1</td>
<td>1.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>13.8</td>
<td>0.1</td>
<td>1.4</td>
<td>-51.3</td>
<td>0.0</td>
<td>0.1</td>
<td>3.1</td>
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</tr>
<tr>
<td>Fourth Quintile</td>
<td>88.8</td>
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<td>-740.2</td>
<td>0.0</td>
<td>0.6</td>
<td>10.7</td>
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<tr>
<td>Top Quintile</td>
<td>95.2</td>
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<td>All</td>
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<td>0.0</td>
<td>100.0</td>
<td>0.0</td>
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**Addendum**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percent of Tax Units</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</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
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<tbody>
<tr>
<td>80-90</td>
<td>94.7</td>
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<td>-1.4</td>
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<td>-4.1</td>
<td>-0.1</td>
<td>20.4</td>
<td>-1.0</td>
</tr>
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<td>6.9</td>
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<td>-0.2</td>
<td>0.8</td>
<td>22.2</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

---

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http://www.taxpolicycenter.org/TaxModel/income.cfm