

Table T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	61.6	0.0	2.2	16.0	-230	-2.1	1.9
Second Quintile	79.1	0.0	1.5	21.5	-367	-1.3	9.2
Middle Quintile	86.7	0.0	1.0	23.6	-442	-0.9	15.8
Fourth Quintile	85.6	0.0	0.7	23.4	-523	-0.6	19.1
Top Quintile	56.7	0.0	0.2	15.2	-384	-0.1	26.1
All	73.7	0.0	0.6	100.0	-374	-0.5	21.1
Addendum							
80-90	76.1	0.0	0.6	11.4	-571	-0.4	22.2
90-95	66.5	0.0	0.2	3.4	-348	-0.2	24.2
95-99	8.9	0.0	0.0	0.4	-47	0.0	26.3
Top 1 Percent	3.8	0.0	0.0	0.1	-23	0.0	29.5
Top 0.1 Percent	0.8	0.0	0.0	0.0	-5	0.0	31.3

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

Number of AMT Taxpayers (millions). Baseline: 30.3

Proposal: 30.3

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>.

Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile, 2009¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	61.6	0.0	2.2	16.0	-230	-53.0	-0.4	0.3	-2.1	1.9
Second Quintile	79.1	0.0	1.5	21.5	-367	-12.5	-0.4	3.5	-1.3	9.2
Middle Quintile	86.7	0.0	1.0	23.6	-442	-5.1	-0.3	10.4	-0.9	15.8
Fourth Quintile	85.6	0.0	0.7	23.4	-523	-3.0	-0.1	17.7	-0.6	19.1
Top Quintile	56.7	0.0	0.2	15.2	-384	-0.5	1.2	67.9	-0.1	26.1
All	73.7	0.0	0.6	100.0	-374	-2.3	0.0	100.0	-0.5	21.1
Addendum										
80-90	76.1	0.0	0.6	11.4	-571	-1.9	0.1	14.2	-0.4	22.2
90-95	66.5	0.0	0.2	3.4	-348	-0.7	0.2	10.6	-0.2	24.2
95-99	8.9	0.0	0.0	0.4	-47	-0.1	0.4	16.7	0.0	26.3
Top 1 Percent	3.8	0.0	0.0	0.1	-23	0.0	0.6	26.4	0.0	29.5
Top 0.1 Percent	0.8	0.0	0.0	0.0	-5	0.0	0.3	13.4	0.0	31.3

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	39,102	26.0	10,744	434	10,310	4.0	3.7	4.6	0.7
Second Quintile	32,942	21.9	28,057	2,935	25,121	10.5	8.2	9.3	4.0
Middle Quintile	30,075	20.0	51,924	8,669	43,255	16.7	13.8	14.7	10.7
Fourth Quintile	25,152	16.7	87,992	17,362	70,630	19.7	19.6	20.0	17.9
Top Quintile	22,287	14.8	279,244	73,180	206,064	26.2	55.0	51.8	66.7
All	150,241	100.0	75,289	16,274	59,015	21.6	100.0	100.0	100.0
Addendum									
80-90	11,264	7.5	135,143	30,596	104,547	22.6	13.5	13.3	14.1
90-95	5,439	3.6	192,266	46,869	145,398	24.4	9.3	8.9	10.4
95-99	4,454	3.0	340,985	89,845	251,141	26.4	13.4	12.6	16.4
Top 1 Percent	1,131	0.8	1,889,937	558,322	1,331,615	29.5	18.9	17.0	25.8
Top 0.1 Percent	114	0.1	8,929,410	2,798,242	6,131,168	31.3	9.0	7.9	13.1

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

Number of AMT Taxpayers (millions). Baseline: 30.3 Proposal: 30.3

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: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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.

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Table T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	66.5	0.0	2.6	15.1	-262	-445.7	-0.4	-0.3	-2.6	-2.0
Second Quintile	72.1	0.0	1.5	19.3	-350	-16.7	-0.4	2.3	-1.4	6.9
Middle Quintile	85.5	0.0	1.2	23.3	-449	-6.2	-0.4	8.3	-1.0	14.7
Fourth Quintile	86.6	0.0	0.8	25.1	-495	-3.3	-0.2	17.2	-0.7	18.8
Top Quintile	59.3	0.0	0.2	16.9	-334	-0.6	1.3	72.5	-0.1	25.8
All	73.7	0.0	0.6	100.0	-374	-2.3	0.0	100.0	-0.5	21.1
Addendum										
80-90	84.6	0.0	0.6	12.6	-494	-1.9	0.1	15.4	-0.4	22.2
90-95	54.9	0.0	0.2	3.7	-292	-0.7	0.2	11.8	-0.2	23.9
95-99	13.8	0.0	0.0	0.6	-55	-0.1	0.4	17.8	0.0	25.9
Top 1 Percent	4.6	0.0	0.0	0.1	-25	0.0	0.6	27.5	0.0	29.4
Top 0.1 Percent	1.1	0.0	0.0	0.0	-5	0.0	0.3	13.9	0.0	31.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	32,429	21.6	10,059	59	10,000	0.6	2.9	3.7	0.1
Second Quintile	30,972	20.6	25,261	2,101	23,160	8.3	6.9	8.1	2.7
Middle Quintile	29,186	19.4	46,073	7,199	38,874	15.6	11.9	12.8	8.6
Fourth Quintile	28,494	19.0	76,773	14,889	61,884	19.4	19.3	19.9	17.4
Top Quintile	28,475	19.0	235,357	61,131	174,226	26.0	59.3	56.0	71.2
All	150,241	100.0	75,289	16,274	59,015	21.6	100.0	100.0	100.0
Addendum									
80-90	14,316	9.5	115,555	26,162	89,392	22.6	14.6	14.4	15.3
90-95	7,191	4.8	163,422	39,419	124,003	24.1	10.4	10.1	11.6
95-99	5,606	3.7	292,160	75,825	216,335	26.0	14.5	13.7	17.4
Top 1 Percent	1,362	0.9	1,640,591	482,840	1,157,751	29.4	19.8	17.8	26.9
Top 0.1 Percent	135	0.1	7,862,950	2,460,570	5,402,380	31.3	9.4	8.2	13.6

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

Number of AMT Taxpayers (millions). Baseline: 30.3 Proposal: 30.3

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(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/11/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 (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.

(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 T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	58.7	0.0	2.6	21.7	-187	-41.6	-0.6	0.8	-2.4	3.4
Second Quintile	59.3	0.0	1.3	21.5	-225	-11.4	-0.5	4.6	-1.2	9.2
Middle Quintile	81.6	0.0	1.1	25.7	-316	-5.4	-0.4	12.5	-0.9	16.7
Fourth Quintile	83.7	0.0	0.7	21.7	-318	-2.8	0.0	20.6	-0.6	20.1
Top Quintile	51.8	0.0	0.2	9.2	-164	-0.4	1.4	61.4	-0.1	26.2
All	66.3	0.0	0.7	100.0	-238	-2.7	0.0	100.0	-0.6	20.7
Addendum										
80-90	82.2	0.0	0.4	8.3	-279	-1.5	0.2	15.5	-0.3	23.1
90-95	27.6	0.0	0.1	0.7	-51	-0.2	0.3	11.0	0.0	24.3
95-99	6.9	0.0	0.0	0.2	-18	0.0	0.4	14.4	0.0	25.3
Top 1 Percent	4.1	0.0	0.0	0.0	-13	0.0	0.6	20.5	0.0	31.6
Top 0.1 Percent	0.3	0.0	0.0	0.0	-1	0.0	0.3	10.2	0.0	34.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	17,979	27.7	7,650	449	7,201	5.9	5.0	6.0	1.4
Second Quintile	14,788	22.8	19,082	1,984	17,099	10.4	10.3	11.8	5.1
Middle Quintile	12,570	19.4	33,514	5,906	27,608	17.6	15.4	16.1	12.8
Fourth Quintile	10,552	16.2	54,870	11,361	43,509	20.7	21.2	21.3	20.7
Top Quintile	8,719	13.4	151,432	39,899	111,533	26.4	48.3	45.2	60.0
All	64,958	100.0	42,053	8,931	33,122	21.2	100.0	100.0	100.0
Addendum									
80-90	4,605	7.1	82,197	19,283	62,914	23.5	13.9	13.5	15.3
90-95	2,193	3.4	116,199	28,319	87,880	24.4	9.3	9.0	10.7
95-99	1,584	2.4	201,882	51,151	150,731	25.3	11.7	11.1	14.0
Top 1 Percent	338	0.5	1,087,643	343,438	744,205	31.6	13.5	11.7	20.0
Top 0.1 Percent	30	0.1	5,550,592	1,927,397	3,623,194	34.7	6.1	5.0	9.9

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. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

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(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>

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

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(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 T09-0104
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Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	65.1	0.0	3.1	8.4	-410	-608.4	-0.2	-0.1	-3.1	-2.6
Second Quintile	74.2	0.0	1.8	14.7	-550	-21.6	-0.3	1.0	-1.7	6.2
Middle Quintile	84.7	0.0	1.3	21.9	-640	-7.6	-0.3	5.2	-1.1	13.1
Fourth Quintile	87.6	0.0	0.9	30.2	-656	-3.8	-0.3	15.0	-0.7	17.9
Top Quintile	64.6	0.0	0.2	24.5	-435	-0.6	1.0	78.7	-0.2	25.7
All	75.5	0.0	0.6	100.0	-542	-1.9	0.0	100.0	-0.4	22.2
Addendum										
80-90	89.0	0.0	0.6	17.5	-645	-2.2	0.0	15.5	-0.5	21.8
90-95	69.7	0.0	0.3	6.1	-420	-0.9	0.1	12.7	-0.2	23.8
95-99	17.2	0.0	0.0	0.9	-73	-0.1	0.4	19.9	0.0	26.1
Top 1 Percent	4.9	0.0	0.0	0.1	-30	0.0	0.6	30.7	0.0	29.0
Top 0.1 Percent	1.4	0.0	0.0	0.0	-7	0.0	0.3	15.3	0.0	30.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	6,621	11.1	13,343	67	13,276	0.5	1.2	1.5	0.0
Second Quintile	8,578	14.4	32,397	2,546	29,851	7.9	3.7	4.4	1.3
Middle Quintile	11,027	18.5	59,438	8,446	50,992	14.2	8.8	9.8	5.5
Fourth Quintile	14,829	24.9	93,284	17,392	75,892	18.6	18.6	19.5	15.3
Top Quintile	18,163	30.5	278,505	71,994	206,511	25.9	68.0	65.1	77.7
All	59,479	100.0	125,155	28,295	96,860	22.6	100.0	100.0	100.0
Addendum									
80-90	8,717	14.7	134,567	29,975	104,592	22.3	15.8	15.8	15.5
90-95	4,700	7.9	186,829	44,852	141,976	24.0	11.8	11.6	12.5
95-99	3,780	6.4	332,302	86,826	245,475	26.1	16.9	16.1	19.5
Top 1 Percent	965	1.6	1,813,978	525,498	1,288,481	29.0	23.5	21.6	30.1
Top 0.1 Percent	97	0.2	8,464,842	2,593,673	5,871,168	30.6	11.1	9.9	15.0

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

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(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

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(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.

(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 T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	85.9	0.0	2.2	30.3	-310	34.0	-2.2	-7.4	-2.4	-9.4
Second Quintile	94.6	0.0	1.3	34.3	-369	-21.3	-1.6	7.9	-1.3	4.6
Middle Quintile	96.2	0.0	0.9	23.5	-373	-4.9	0.3	28.5	-0.8	14.8
Fourth Quintile	92.5	0.0	0.6	10.6	-330	-2.2	1.1	29.9	-0.4	19.9
Top Quintile	34.4	0.0	0.1	1.3	-90	-0.2	2.3	41.1	-0.1	25.3
All	88.8	0.0	1.0	100.0	-333	-5.9	0.0	100.0	-0.8	13.3
Addendum										
80-90	47.1	0.0	0.2	1.2	-128	-0.5	0.8	15.1	-0.1	23.4
90-95	18.8	0.0	0.0	0.1	-32	-0.1	0.4	6.2	0.0	24.5
95-99	2.9	0.0	0.0	0.0	-8	0.0	0.5	8.8	0.0	25.0
Top 1 Percent	1.0	0.0	0.0	0.0	-2	0.0	0.7	11.1	0.0	29.2
Top 0.1 Percent	0.5	0.0	0.0	0.0	-1	0.0	0.3	5.3	0.0	31.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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
Lowest Quintile	7,558	32.5	12,952	-913	13,865	-7.1	10.4	13.0	-5.2
Second Quintile	7,198	30.9	29,592	1,732	27,861	5.9	22.7	24.8	9.4
Middle Quintile	4,877	20.9	49,284	7,649	41,634	15.5	25.6	25.1	28.2
Fourth Quintile	2,482	10.7	75,584	15,347	60,237	20.3	20.0	18.5	28.8
Top Quintile	1,128	4.8	179,427	45,401	134,026	25.3	21.5	18.7	38.7
All	23,292	100.0	40,351	5,680	34,672	14.1	100.0	100.0	100.0
Addendum									
80-90	730	3.1	109,967	25,832	84,135	23.5	8.6	7.6	14.3
90-95	209	0.9	149,881	36,780	113,101	24.5	3.3	2.9	5.8
95-99	158	0.7	276,495	69,033	207,461	25.0	4.7	4.1	8.3
Top 1 Percent	31	0.1	1,510,258	441,112	1,069,147	29.2	5.0	4.1	10.4
Top 0.1 Percent	3	0.0	7,770,538	2,410,823	5,359,715	31.0	2.3	1.8	5.0

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

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 (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.

(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 T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	91.5	0.0	2.7	15.9	-421	34.1	-0.5	-1.7	-3.0	-11.7
Second Quintile	98.5	0.0	1.7	21.1	-532	-26.3	-0.5	1.6	-1.6	4.4
Middle Quintile	98.4	0.0	1.2	25.1	-614	-6.5	-0.4	9.7	-1.0	14.6
Fourth Quintile	98.0	0.0	0.9	25.6	-686	-3.3	-0.2	19.9	-0.7	19.7
Top Quintile	58.5	0.0	0.2	12.1	-377	-0.5	1.5	70.4	-0.1	26.8
All	90.1	0.0	0.7	100.0	-531	-2.6	0.0	100.0	-0.6	20.9
Addendum										
80-90	88.8	0.0	0.5	10.3	-616	-1.7	0.2	16.1	-0.4	23.5
90-95	46.1	0.0	0.1	1.6	-206	-0.4	0.3	11.3	-0.1	25.4
95-99	5.1	0.0	0.0	0.2	-28	0.0	0.5	17.5	0.0	27.2
Top 1 Percent	1.6	0.0	0.0	0.0	-9	0.0	0.7	25.5	0.0	30.0
Top 0.1 Percent	0.4	0.0	0.0	0.0	-3	0.0	0.3	12.3	0.0	31.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	9,648	20.1	14,150	-1,233	15,383	-8.7	3.0	4.1	-1.2
Second Quintile	10,138	21.1	33,628	2,026	31,601	6.0	7.4	8.9	2.1
Middle Quintile	10,440	21.7	61,157	9,527	51,630	15.6	13.9	15.0	10.1
Fourth Quintile	9,539	19.8	101,199	20,624	80,575	20.4	21.1	21.4	20.0
Top Quintile	8,194	17.0	306,666	82,651	224,015	27.0	54.8	51.0	68.9
All	48,094	100.0	95,281	20,441	74,839	21.5	100.0	100.0	100.0
Addendum									
80-90	4,292	8.9	153,064	36,562	116,502	23.9	14.3	13.9	16.0
90-95	1,951	4.1	218,471	55,606	162,866	25.5	9.3	8.8	11.0
95-99	1,572	3.3	392,713	106,785	285,929	27.2	13.5	12.5	17.1
Top 1 Percent	379	0.8	2,144,629	644,129	1,500,500	30.0	17.7	15.8	24.8
Top 0.1 Percent	37	0.1	10,295,847	3,201,819	7,094,028	31.1	8.3	7.3	12.0

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

Note: Tax units with children are those claiming an exemption for children at home or away from home.

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/11/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 (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.

(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 T09-0104
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2009¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	12.3	0.0	0.5	9.2	-45	-77.1	-0.1	0.0	-0.5	0.1
Second Quintile	16.8	0.0	0.3	17.7	-66	-9.5	-0.1	1.2	-0.3	2.9
Middle Quintile	28.1	0.0	0.3	17.1	-110	-4.3	-0.1	2.7	-0.3	6.0
Fourth Quintile	39.6	0.0	0.3	30.5	-161	-1.9	-0.1	10.9	-0.2	11.7
Top Quintile	29.2	0.0	0.1	25.5	-126	-0.2	0.4	85.1	-0.1	24.1
All	24.3	0.0	0.2	100.0	-98	-0.7	0.0	100.0	-0.1	18.3
Addendum										
80-90	41.3	0.0	0.2	16.0	-180	-1.0	0.0	11.0	-0.2	16.6
90-95	32.2	0.0	0.1	7.2	-138	-0.5	0.0	10.6	-0.1	19.3
95-99	10.4	0.0	0.0	2.0	-41	-0.1	0.1	20.8	0.0	23.4
Top 1 Percent	4.6	0.0	0.0	0.3	-21	0.0	0.3	42.7	0.0	29.9
Top 0.1 Percent	0.4	0.0	0.0	0.0	-2	0.0	0.2	21.8	0.0	32.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2009¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	5,675	19.8	9,958	59	9,899	0.6	2.6	3.2	0.1
Second Quintile	7,562	26.4	21,260	691	20,570	3.3	7.4	8.8	1.3
Middle Quintile	4,371	15.3	41,175	2,560	38,614	6.2	8.3	9.6	2.8
Fourth Quintile	5,321	18.6	69,880	8,324	61,557	11.9	17.2	18.5	11.1
Top Quintile	5,689	19.9	246,281	59,552	186,729	24.2	64.6	60.1	84.7
All	28,639	100.0	75,721	13,971	61,750	18.5	100.0	100.0	100.0
Addendum									
80-90	2,500	8.7	105,353	17,686	87,667	16.8	12.1	12.4	11.1
90-95	1,471	5.1	147,862	28,685	119,177	19.4	10.0	9.9	10.5
95-99	1,329	4.6	266,234	62,366	203,868	23.4	16.3	15.3	20.7
Top 1 Percent	391	1.4	1,451,124	434,209	1,016,915	29.9	26.1	22.5	42.4
Top 0.1 Percent	40	0.1	6,768,885	2,183,965	4,584,921	32.3	12.4	10.3	21.6

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

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

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/11/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

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

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