

Table T08-0275
Change in Tax Liability Under President-elect Obama's Tax Plan: Advisors' Version
for Representative Married Families Filing Joint Returns,
Assuming Current-Law Nonitemizers Do Not Have Mortgages, 2009

| AGI | Individual Income Tax (\$) | | | | | | | | | | Corporate |
|----------------|----------------------------|---------|---------|---------|----------|---------------------|---------|---------|---------|----------|-----------|
| | One-Earner Families | | | | | Two-Earner Families | | | | | Tax (\$) |
| # of children | 0 | 1 | 2 | 3 | 6 | 0 | 1 | 2 | 3 | 6 | All |
| # of tax units | 10.3 mil | 3.7 mil | 4.3 mil | 1.9 mil | 0.05 mil | 12.5 mil | 6.6 mil | 7.0 mil | 2.5 mil | 0.04 mil | |
| \$10,000 | (569) | (502) | (502) | (991) | (991) | (673) | (606) | (606) | (1,095) | (1,095) | 12 |
| \$15,000 | (914) | (502) | (502) | (1,124) | (1,124) | (1,123) | (712) | (712) | (1,334) | (1,334) | 16 |
| \$25,000 | (541) | (832) | (936) | (1,558) | (1,558) | (892) | (1,182) | (1,287) | (1,909) | (1,909) | 21 |
| \$35,000 | (502) | (831) | (936) | (1,558) | (1,558) | (996) | (1,325) | (1,429) | (2,051) | (2,051) | 21 |
| \$50,000 | (502) | (502) | (502) | (502) | (764) | (1,004) | (1,004) | (1,004) | (1,004) | (1,266) | 33 |
| \$75,000 | (547) | (547) | (547) | (547) | (2,077) | (1,049) | (1,049) | (1,049) | (1,049) | (2,579) | 68 |
| \$100,000 | (1,018) | (1,918) | (2,540) | (3,080) | (4,700) | (1,520) | (2,420) | (3,043) | (3,583) | (5,203) | 97 |
| \$125,000 | (1,722) | (2,622) | (3,522) | (4,422) | (6,976) | (2,224) | (3,124) | (4,024) | (4,924) | (7,478) | 190 |
| \$150,000 | (2,421) | (3,321) | (4,221) | (5,121) | (6,976) | (2,924) | (3,824) | (4,724) | (5,624) | (7,478) | 297 |
| \$200,000 | (4,774) | (5,782) | (6,474) | (6,474) | (6,474) | (4,774) | (5,782) | (6,474) | (6,474) | (6,474) | 617 |
| \$500,000 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,553 |
| \$1,000,000 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 28,301 | 10,200 |
| \$1,500,000 | 56,413 | 57,253 | 58,093 | 58,379 | 58,379 | 56,413 | 57,253 | 58,093 | 58,379 | 58,379 | 18,671 |
| \$2,000,000 | 79,725 | 80,565 | 81,405 | 82,245 | 84,765 | 79,725 | 80,565 | 81,405 | 82,245 | 84,765 | 27,528 |

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

Notes: Due to rounding, the AGI for tax calculations may not precisely equal the AGI shown. Families on the AMT under the proposal are indicated by a dark background. Number of tax units excludes dependent returns. Kids includes only children in the home for whom an exemption may be claimed. Assumes all provisions are fully phased in. Obama's plan does not include the payroll surtax. For a detailed discussion of the proposal see the Tax Policy Center's report *An Updated Analysis of the 2008 Presidential Candidates' Tax Plans: Revised Aug. 15, 2008* available on the TPC website.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim the dependent care credit, education tax credits, or saver's credit.
- (3) Itemized deductions are assumed to be 20 percent of adjusted gross income (AGI), of which 40% is for state and local taxes, 40% for mortgage interest, and 20% for charitable contributions. Tax units are assumed to have itemizable expenses beginning at \$50,000 for unmarried households and \$75,000 for married households.
- (4) Nonelderly households are assumed to have income in the form of wages, interest, qualifying dividends, and long-term capital gains. The fraction of non-wage income is determined based on tabulations from the Tax Policy Center Microsimulation Model. The residual is assigned as wages. For two-earner families the earner with the larger share of wages has 77 percent of wages, the average for the group in the TPC model.