

**Table T08-0276**  
**Change in Tax Liability Under President-elect Obama's Tax Plan: Advisors' Version**  
**for Representative Elderly Families,**  
**Assuming Current-Law Nonitemizers Do Not Have Mortgages, 2009**

| AGI            | Single               |                                  |                       | Married Filing Jointly |                                  |                       |
|----------------|----------------------|----------------------------------|-----------------------|------------------------|----------------------------------|-----------------------|
|                | Total<br>Income (\$) | Individual<br>Income Tax<br>(\$) | Corporate<br>Tax (\$) | Total<br>Income (\$)   | Individual<br>Income Tax<br>(\$) | Corporate<br>Tax (\$) |
| # of tax units |                      | 14.6 mil                         |                       |                        | 9.0 mil                          |                       |
| \$10,000       | \$21,358             | 0                                | 118                   | \$24,535               | 0                                | 157                   |
| \$15,000       | \$27,120             | (362)                            | 152                   | \$32,209               | 0                                | 131                   |
| \$25,000       | \$42,259             | (1,512)                          | 214                   | \$46,560               | (301)                            | 173                   |
| \$35,000       | \$55,988             | (3,170)                          | 232                   | \$65,074               | (1,347)                          | 195                   |
| \$50,000       | \$74,170             | (3,690)                          | 366                   | \$83,065               | 0                                | 364                   |
| \$75,000       | \$107,661            | 0                                | 614                   | \$111,005              | (375)                            | 327                   |
| \$100,000      | \$141,607            | 0                                | 1,141                 | \$143,060              | (319)                            | 703                   |
| \$125,000      | \$158,165            | 0                                | 2,018                 | \$172,289              | (1,091)                          | 1,100                 |
| \$150,000      | \$189,798            | (1,100)                          | 2,422                 | \$206,747              | (1,780)                          | 1,320                 |
| \$200,000      | \$253,064            | (817)                            | 3,229                 | \$275,662              | (4,847)                          | 1,759                 |
| \$500,000      | \$541,451            | 12,781                           | 14,035                | \$574,277              | 9,637                            | 10,562                |
| \$1,000,000    | \$1,041,747          | 28,649                           | 29,228                | \$1,050,190            | 22,252                           | 23,201                |
| \$1,500,000    | \$1,562,621          | 42,973                           | 43,841                | \$1,575,285            | 37,855                           | 35,273                |
| \$2,000,000    | \$2,083,494          | 57,298                           | 58,455                | \$2,100,380            | 63,178                           | 47,773                |

*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 EITC, 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) Elderly households are assumed to have income in the form of interest, qualifying dividends, long-term capital gains, pensions, Social Security benefits, and other. Other income is not subject to the payroll tax and not eligible for the reduced rates on capital gains and is determined as the residual after assigning average shares of AGI for each of the other categories.