

**Table T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
<b>Lowest Quintile</b>	0.1	35.9	-0.2	5.7	27	0.2	3.7
<b>Second Quintile</b>	0.1	77.5	-0.3	17.4	90	0.3	11.6
<b>Middle Quintile</b>	0.2	86.8	-0.2	18.7	107	0.2	17.7
<b>Fourth Quintile</b>	0.6	80.5	-0.2	22.6	153	0.2	20.9
<b>Top Quintile</b>	3.7	69.8	-0.1	35.6	274	0.1	28.0
<b>All</b>	0.7	68.1	-0.2	100.0	116	0.2	23.0
<b>Addendum</b>							
<b>80-90</b>	2.2	73.3	-0.2	14.2	216	0.2	24.0
<b>90-95</b>	4.2	67.9	-0.2	7.5	235	0.1	25.4
<b>95-99</b>	7.0	59.6	-0.1	8.7	337	0.1	27.6
<b>Top 1 Percent</b>	2.4	85.5	-0.1	5.3	808	0.0	32.8
<b>Top 0.1 Percent</b>	2.6	90.3	0.0	0.6	879	0.0	35.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 19.5

Proposal: 17.6

(1) Calendar year. Baseline is current law. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$19,957, 40% \$37,919, 60% \$66,635, 80% \$111,847, 90% \$160,851, 95% \$224,521, 99% \$590,626, 99.9%

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	35.9	-0.2	5.7	27	6.6	0.0	0.6	0.2	3.7
Second Quintile	0.1	77.5	-0.3	17.4	90	2.7	0.1	4.3	0.3	11.6
Middle Quintile	0.2	86.8	-0.2	18.7	107	1.1	0.1	10.8	0.2	17.7
Fourth Quintile	0.6	80.5	-0.2	22.6	153	0.8	0.0	18.2	0.2	20.9
Top Quintile	3.7	69.8	-0.1	35.6	274	0.4	-0.2	66.0	0.1	28.0
All	0.7	68.1	-0.2	100.0	116	0.7	0.0	100.0	0.2	23.0
<b>Addendum</b>										
80-90	2.2	73.3	-0.2	14.2	216	0.7	0.0	14.3	0.2	24.0
90-95	4.2	67.9	-0.2	7.5	235	0.5	0.0	10.4	0.1	25.4
95-99	7.0	59.6	-0.1	8.7	337	0.4	-0.1	16.0	0.1	27.6
Top 1 Percent	2.4	85.5	-0.1	5.3	808	0.1	-0.1	25.4	0.0	32.8
Top 0.1 Percent	2.6	90.3	0.0	0.6	879	0.0	-0.1	12.7	0.0	35.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	39,109	24.9	11,727	401	11,326	3.4	3.7	4.7	0.6
Second Quintile	35,235	22.4	29,685	3,344	26,341	11.3	8.5	9.8	4.2
Middle Quintile	31,797	20.2	53,843	9,418	44,425	17.5	14.0	14.9	10.7
Fourth Quintile	26,816	17.1	91,347	18,942	72,404	20.7	20.0	20.5	18.2
Top Quintile	23,648	15.0	279,733	78,122	201,611	27.9	54.0	50.4	66.2
All	157,316	100.0	77,851	17,748	60,103	22.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	11,954	7.6	139,760	33,374	106,385	23.9	13.6	13.5	14.3
90-95	5,808	3.7	197,580	49,952	147,628	25.3	9.4	9.1	10.4
95-99	4,701	3.0	346,049	95,098	250,951	27.5	13.3	12.5	16.0
Top 1 Percent	1,185	0.8	1,831,745	600,387	1,231,357	32.8	17.7	15.4	25.5
Top 0.1 Percent	120	0.1	8,392,568	2,984,072	5,408,496	35.6	8.2	6.9	12.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 19.5

Proposal: 17.6

(1) Calendar year. Baseline is current law. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$19,957, 40% \$37,919, 60% \$66,635, 80% \$111,847, 90% \$160,851, 95% \$224,521, 99% \$590,626, 99.9% \$2,706,134.

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	32.8	-0.3	6.6	37	-108.5	0.0	0.0	0.3	0.0
Second Quintile	0.1	70.8	-0.4	16.5	93	3.5	0.1	3.2	0.3	10.3
Middle Quintile	0.2	78.6	-0.2	10.0	58	0.8	0.0	8.7	0.1	16.3
Fourth Quintile	0.9	81.5	-0.2	21.9	132	0.8	0.0	17.5	0.2	20.4
Top Quintile	2.5	80.1	-0.2	45.0	271	0.4	-0.2	70.5	0.1	27.7
All	0.7	68.1	-0.2	100.0	116	0.7	0.0	100.0	0.2	23.0
<b>Addendum</b>										
80-90	1.6	84.0	-0.2	18.6	222	0.8	0.0	15.3	0.2	23.6
90-95	2.8	79.6	-0.2	9.7	233	0.6	0.0	11.6	0.1	25.4
95-99	4.5	70.0	-0.2	11.1	341	0.4	0.0	17.2	0.1	27.3
Top 1 Percent	2.4	82.3	-0.1	5.6	706	0.1	-0.1	26.4	0.0	32.6
Top 0.1 Percent	2.4	89.0	0.0	0.7	837	0.0	-0.1	13.2	0.0	35.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	32,338	20.6	10,962	-35	10,996	-0.3	2.9	3.8	0.0
Second Quintile	32,399	20.6	27,043	2,682	24,361	9.9	7.2	8.4	3.1
Middle Quintile	31,437	20.0	47,482	7,685	39,797	16.2	12.2	13.2	8.7
Fourth Quintile	30,153	19.2	79,882	16,153	63,729	20.2	19.7	20.3	17.5
Top Quintile	30,278	19.3	236,122	65,195	170,927	27.6	58.4	54.7	70.7
All	157,316	100.0	77,851	17,748	60,103	22.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	15,269	9.7	119,425	28,008	91,418	23.5	14.9	14.8	15.3
90-95	7,622	4.9	168,851	42,608	126,243	25.2	10.5	10.2	11.6
95-99	5,955	3.8	296,127	80,587	215,540	27.2	14.4	13.6	17.2
Top 1 Percent	1,432	0.9	1,589,334	518,045	1,071,290	32.6	18.6	16.2	26.6
Top 0.1 Percent	142	0.1	7,406,757	2,622,054	4,784,703	35.4	8.6	7.2	13.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 19.5

Proposal: 17.6

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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>

(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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	26.6	-0.2	4.7	14	3.2	0.0	1.1	0.2	5.7
Second Quintile	0.1	62.0	-0.2	10.2	33	1.5	0.0	5.2	0.2	11.2
Middle Quintile	0.1	84.1	-0.1	11.0	39	0.7	0.0	12.4	0.1	17.0
Fourth Quintile	0.1	96.8	-0.3	35.0	154	1.3	0.1	20.7	0.3	21.6
Top Quintile	0.6	91.9	-0.2	39.2	210	0.5	-0.2	60.5	0.1	28.7
All	0.1	67.7	-0.2	100.0	75	0.7	0.0	100.0	0.2	22.5
<b>Addendum</b>										
80-90	0.1	95.9	-0.3	18.0	182	0.9	0.0	15.6	0.2	25.0
90-95	1.0	92.6	-0.2	9.1	195	0.6	0.0	11.1	0.2	26.7
95-99	1.2	82.4	-0.2	8.8	258	0.5	0.0	14.6	0.1	28.1
Top 1 Percent	1.3	76.7	-0.1	3.3	471	0.1	-0.1	19.2	0.0	34.9
Top 0.1 Percent	0.3	84.4	0.0	0.3	546	0.0	-0.1	9.2	0.0	38.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	16,855	24.6	8,088	448	7,641	5.5	4.4	5.4	1.1
Second Quintile	15,642	22.8	20,751	2,290	18,460	11.0	10.5	12.0	5.2
Middle Quintile	14,507	21.2	35,163	5,937	29,227	16.9	16.5	17.6	12.4
Fourth Quintile	11,601	16.9	57,652	12,278	45,374	21.3	21.6	21.9	20.6
Top Quintile	9,540	13.9	153,955	43,976	109,979	28.6	47.4	43.6	60.6
All	68,506	100.0	45,237	10,105	35,132	22.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	5,053	7.4	86,100	21,382	64,718	24.8	14.0	13.6	15.6
90-95	2,377	3.5	121,430	32,257	89,173	26.6	9.3	8.8	11.1
95-99	1,749	2.6	207,161	57,945	149,216	28.0	11.7	10.8	14.6
Top 1 Percent	362	0.5	1,058,983	369,299	689,684	34.9	12.4	10.4	19.3
Top 0.1 Percent	31	0.1	5,306,728	2,041,695	3,265,034	38.5	5.4	4.2	9.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

(1) Calendar year. Baseline is current law. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	31.7	-0.4	3.8	56	240.0	0.0	0.0	0.4	0.6
Second Quintile	0.3	71.4	-0.4	9.6	109	3.3	0.0	1.6	0.3	10.0
Middle Quintile	0.4	71.7	-0.1	7.7	69	0.7	0.0	5.6	0.1	15.3
Fourth Quintile	1.4	73.5	-0.2	19.3	127	0.7	0.0	15.4	0.1	19.7
Top Quintile	3.4	76.0	-0.2	59.6	311	0.4	-0.1	77.2	0.1	27.4
All	1.5	68.7	-0.2	100.0	163	0.5	0.0	100.0	0.1	24.0
<b>Addendum</b>										
80-90	2.3	79.7	-0.2	23.4	254	0.8	0.0	15.5	0.2	23.1
90-95	3.7	75.2	-0.2	12.8	258	0.5	0.0	12.5	0.1	24.9
95-99	5.9	65.9	-0.2	15.3	386	0.4	0.0	19.1	0.1	27.2
Top 1 Percent	2.8	84.8	-0.1	8.1	799	0.1	-0.1	30.0	0.1	32.1
Top 0.1 Percent	3.1	90.8	0.0	1.0	951	0.0	-0.1	14.9	0.0	34.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	6,836	11.1	14,389	23	14,366	0.2	1.2	1.6	0.0
Second Quintile	8,755	14.3	34,618	3,360	31,259	9.7	3.8	4.6	1.6
Middle Quintile	11,214	18.3	62,026	9,431	52,595	15.2	8.8	9.8	5.6
Fourth Quintile	15,212	24.8	97,768	19,100	78,668	19.5	18.8	19.9	15.4
Top Quintile	19,110	31.1	279,599	76,387	203,211	27.3	67.6	64.5	77.3
All	61,400	100.0	128,766	30,752	98,014	23.9	100.0	100.0	100.0
<b>Addendum</b>									
80-90	9,202	15.0	138,970	31,794	107,176	22.9	16.2	16.4	15.5
90-95	4,942	8.1	192,850	47,843	145,008	24.8	12.1	11.9	12.5
95-99	3,955	6.4	337,574	91,351	246,223	27.1	16.9	16.2	19.1
Top 1 Percent	1,011	1.7	1,756,500	563,156	1,193,344	32.1	22.5	20.1	30.2
Top 0.1 Percent	102	0.2	7,937,859	2,762,528	5,175,331	34.8	10.2	8.8	14.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

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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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	46.0	-0.5	20.0	70	-6.4	0.5	-5.4	0.5	-7.3
Second Quintile	0.1	87.5	-0.7	51.6	199	7.6	0.7	13.4	0.6	9.0
Middle Quintile	0.2	77.9	-0.2	15.4	90	1.0	-0.2	27.8	0.2	17.2
Fourth Quintile	1.4	62.5	-0.1	6.8	73	0.4	-0.4	28.5	0.1	21.2
Top Quintile	2.9	56.4	-0.1	6.3	159	0.3	-0.6	35.6	0.1	26.6
All	0.4	67.3	-0.3	100.0	118	1.9	0.0	100.0	0.3	15.3
<b>Addendum</b>										
80-90	2.4	59.1	-0.2	3.6	142	0.5	-0.2	13.2	0.1	24.6
90-95	3.9	47.3	-0.1	0.8	113	0.3	-0.1	5.3	0.1	25.4
95-99	4.1	51.6	-0.1	1.1	194	0.3	-0.1	7.5	0.1	25.3
Top 1 Percent	0.5	76.4	-0.1	0.8	682	0.2	-0.2	9.6	0.1	32.6
Top 0.1 Percent	3.1	85.3	0.0	0.1	735	0.0	-0.1	4.5	0.0	35.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	8,355	33.6	13,999	-1,092	15,091	-7.8	11.3	14.3	-5.8
Second Quintile	7,578	30.5	31,423	2,619	28,803	8.3	22.9	24.8	12.7
Middle Quintile	5,002	20.1	51,564	8,756	42,808	17.0	24.8	24.3	28.0
Fourth Quintile	2,726	11.0	78,373	16,542	61,831	21.1	20.6	19.1	28.9
Top Quintile	1,153	4.6	184,854	49,044	135,810	26.5	20.5	17.8	36.2
All	24,862	100.0	41,756	6,285	35,471	15.1	100.0	100.0	100.0
<b>Addendum</b>									
80-90	740	3.0	115,411	28,193	87,218	24.4	8.2	7.3	13.4
90-95	211	0.9	158,521	40,156	118,365	25.3	3.2	2.8	5.4
95-99	169	0.7	280,025	70,647	209,378	25.2	4.6	4.0	7.6
Top 1 Percent	32	0.1	1,444,013	469,764	974,249	32.5	4.5	3.6	9.8
Top 0.1 Percent	3	0.0	6,993,121	2,463,277	4,529,843	35.2	2.0	1.5	4.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

(1) Calendar year. Baseline is current law. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	52.4	-0.6	13.8	92	-6.7	0.1	-1.3	0.6	-8.5
Second Quintile	0.3	91.0	-0.7	31.7	217	6.8	0.2	3.3	0.6	9.6
Middle Quintile	0.4	75.2	-0.2	12.7	88	0.8	0.0	10.8	0.1	17.5
Fourth Quintile	2.4	52.9	-0.1	13.1	97	0.4	-0.1	20.6	0.1	21.7
Top Quintile	6.4	57.0	-0.1	28.6	261	0.3	-0.3	66.5	0.1	28.9
All	1.7	66.1	-0.2	100.0	146	0.7	0.0	100.0	0.2	23.0
<b>Addendum</b>										
80-90	5.2	56.7	-0.1	9.9	174	0.4	0.0	15.1	0.1	24.9
90-95	8.5	49.0	-0.1	4.5	172	0.3	0.0	10.4	0.1	26.1
95-99	8.1	59.6	-0.2	9.4	444	0.4	-0.1	16.3	0.1	28.5
Top 1 Percent	2.3	90.2	-0.1	4.8	903	0.1	-0.1	24.8	0.0	33.9
Top 0.1 Percent	2.0	94.0	0.0	0.5	926	0.0	-0.1	11.9	0.0	35.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	10,815	21.9	15,090	-1,371	16,461	-9.1	3.5	4.9	-1.4
Second Quintile	10,484	21.3	35,679	3,216	32,464	9.0	8.0	9.4	3.2
Middle Quintile	10,353	21.0	64,150	11,138	53,012	17.4	14.2	15.2	10.8
Fourth Quintile	9,644	19.6	105,690	22,879	82,812	21.7	21.7	22.1	20.6
Top Quintile	7,855	15.9	316,419	91,027	225,392	28.8	53.0	48.9	66.8
All	49,293	100.0	95,214	21,731	73,483	22.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,070	8.3	160,563	39,758	120,806	24.8	13.9	13.6	15.1
90-95	1,884	3.8	227,342	59,262	168,080	26.1	9.1	8.7	10.4
95-99	1,523	3.1	403,939	114,799	289,141	28.4	13.1	12.2	16.3
Top 1 Percent	378	0.8	2,087,355	706,103	1,381,252	33.8	16.8	14.4	24.9
Top 0.1 Percent	37	0.1	9,762,184	3,484,209	6,277,975	35.7	7.6	6.4	11.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

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. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0225**  
**Index Individual Income Tax Parameters to CPI Less 1 Percentage Point: Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	9.1	-0.1	0.9	7	2.2	0.0	0.2	0.1	2.9
Second Quintile	0.0	34.1	-0.1	5.5	23	2.3	0.0	1.5	0.1	4.4
Middle Quintile	0.1	44.6	-0.1	4.4	26	1.1	0.0	2.4	0.1	5.5
Fourth Quintile	0.1	91.5	-0.2	23.5	131	1.4	0.1	10.5	0.2	12.8
Top Quintile	0.4	88.5	-0.2	65.8	285	0.5	-0.1	85.4	0.1	26.0
All	0.1	56.7	-0.2	100.0	105	0.6	0.0	100.0	0.1	20.2
<b>Addendum</b>										
80-90	0.1	95.2	-0.3	26.7	248	1.2	0.1	13.3	0.2	18.6
90-95	0.4	92.0	-0.2	14.9	261	0.8	0.0	11.9	0.2	22.0
95-99	0.7	75.3	-0.2	16.4	312	0.5	0.0	22.1	0.1	25.7
Top 1 Percent	0.5	71.9	-0.1	7.8	575	0.1	-0.2	38.1	0.0	32.9
Top 0.1 Percent	0.3	84.9	0.0	1.1	811	0.0	-0.1	18.8	0.0	36.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</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							
Lowest Quintile	4,167	13.8	10,783	300	10,482	2.8	1.7	2.1	0.2
Second Quintile	7,540	24.9	23,370	1,007	22,362	4.3	6.8	8.2	1.5
Middle Quintile	5,432	17.9	41,368	2,246	39,122	5.4	8.7	10.3	2.4
Fourth Quintile	5,756	19.0	74,513	9,381	65,131	12.6	16.6	18.1	10.4
Top Quintile	7,378	24.4	232,411	60,237	172,175	25.9	66.3	61.4	85.5
All	30,291	100.0	85,420	17,160	68,260	20.1	100.0	100.0	100.0
<b>Addendum</b>									
80-90	3,435	11.3	109,456	20,055	89,401	18.3	14.5	14.9	13.3
90-95	1,827	6.0	155,369	33,846	121,523	21.8	11.0	10.7	11.9
95-99	1,681	5.6	267,378	68,315	199,062	25.6	17.4	16.2	22.1
Top 1 Percent	434	1.4	1,393,711	457,814	935,897	32.9	23.4	19.7	38.3
Top 0.1 Percent	42	0.1	6,524,092	2,348,991	4,175,100	36.0	10.6	8.5	18.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

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. Under the proposal, all individual income tax parameters that are currently indexed to inflation using the Consumer Price Index for All Urban Consumers (CPI-U) would instead be indexed using the CPI-U less 1 percentage point. All unindexed parameters would remain unindexed.

(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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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.