## Table T09-0283

Administration's Fiscal Year 2010 Budget Proposals  
Baseline: Current Law  
Distribution of Federal Tax Change by Cash Income Percentile, 2012  
Summary Table

<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>Average Federal Tax Rate (%)</th>
<th>Change (% Points)</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>75.3 0.1</td>
<td>4.8 6.2</td>
<td>-526 -1,184</td>
<td>-4.5 8.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Quintile</td>
<td>90.4 0.2</td>
<td>4.7 12.7</td>
<td>-1,659 -2,826</td>
<td>-3.2 15.0</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>97.9 0.1</td>
<td>3.9 16.2</td>
<td>-1,659 -5,819</td>
<td>-2.1 26.0</td>
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<tr>
<td>Fourth Quintile</td>
<td>99.7 0.0</td>
<td>4.1 23.1</td>
<td>-2,826 -5,819</td>
<td>-2.1 18.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Quintile</td>
<td>97.7 2.3</td>
<td>2.9 41.6</td>
<td>-5,819 -2,071</td>
<td>-2.7 20.6</td>
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<tr>
<td>All</td>
<td>90.0 0.4</td>
<td>3.6 100.0</td>
<td>-2,071 -2,071</td>
<td>-2.7 20.6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Addendum               |                      |                                 |                                 |                              |                              |                   |                  |
| 80-90                  | 99.9 0.0             | 4.7 17.5                        | -4,855 -3.5                      | 21.1                          |                              |                   |                  |
| 90-95                  | 100.0 0.0            | 4.2 10.7                        | -6,099 -3.1                      | 22.4                          |                              |                   |                  |
| 95-99                  | 97.1 2.9             | 3.2 11.4                        | -7,959 -2.3                      | 25.1                          |                              |                   |                  |
| Top 1 Percent          | 66.9 33.0            | 0.5 2.0                         | -5,596 -0.3                      | 32.3                          |                              |                   |                  |
| Top 0.1 Percent        | 42.6 57.4            | -0.1 0.1                        | 3,784 0.1                        | 35.6                          |                              |                   |                  |


Number of AMT Taxpayers (millions).  
Baseline: 18.2  
Proposal: 4.1

1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first $500 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to $250,000 less the standard deduction and two personal exemptions for married couples filing jointly and $200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009;

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% $19,429; 40% $37,634; 60% $65,903; 80% $112,079; 90% $162,348; 95% $227,254; 99% $601,335; 99.9% $2,737,383.

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

5) Adjusted gross income is 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.
### Distribution of Federal Tax Change by Cash Income Percentile, 2012

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Average Federal Tax Change</th>
<th>Share of Total</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>Under the Proposal</td>
<td>Under the Proposal</td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>75.3</td>
<td>0.1</td>
<td>4.8</td>
<td>6.2</td>
<td>-526</td>
<td>-86.3</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>90.4</td>
<td>0.2</td>
<td>4.7</td>
<td>12.7</td>
<td>-1,184</td>
<td>-33.4</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>97.9</td>
<td>0.1</td>
<td>3.9</td>
<td>16.2</td>
<td>-1,649</td>
<td>-17.3</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.7</td>
<td>0.0</td>
<td>4.1</td>
<td>23.1</td>
<td>-2,826</td>
<td>-14.8</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>97.7</td>
<td>2.3</td>
<td>2.9</td>
<td>41.6</td>
<td>-5,019</td>
<td>-7.4</td>
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<tr>
<td>All</td>
<td>90.0</td>
<td>0.4</td>
<td>3.6</td>
<td>100.0</td>
<td>-20,071</td>
<td>-11.6</td>
</tr>
</tbody>
</table>

### Addendum

- 80-90
- 95-99
- Top 1 Percent
- Top 0.1 Percent

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
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<td>Dollars</td>
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<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>90.9</td>
<td>0.0</td>
<td>4.7</td>
<td>17.5</td>
<td>-4,655</td>
<td>-14.3</td>
</tr>
<tr>
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<td>4.7</td>
<td>10.7</td>
<td>-6,999</td>
<td>-12.2</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>97.1</td>
<td>2.9</td>
<td>3.2</td>
<td>11.4</td>
<td>-7,959</td>
<td>-9.4</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>66.9</td>
<td>33.0</td>
<td>0.3</td>
<td>2.0</td>
<td>-5,096</td>
<td>-6.9</td>
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<tr>
<td>Top Quintile</td>
<td>42.6</td>
<td>57.4</td>
<td>-0.1</td>
<td>1.7</td>
<td>3,744</td>
<td>0.1</td>
</tr>
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</table>

### Baseline Distribution of Income and Federal Taxes by Cash Income Percentile, 2012

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Number of 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 After-Tax Income Burden (Dollars)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>38,450</td>
<td>24.4</td>
<td>11,600</td>
<td>6.0</td>
<td>10,991</td>
<td>3.7</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>34,947</td>
<td>22.2</td>
<td>28,852</td>
<td>3,544</td>
<td>25,308</td>
<td>8.4</td>
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<tr>
<td>Middle Quintile</td>
<td>31,488</td>
<td>20.3</td>
<td>52,224</td>
<td>9,499</td>
<td>42,725</td>
<td>18.2</td>
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<td>Fourth Quintile</td>
<td>26,846</td>
<td>16.9</td>
<td>19,144</td>
<td>6,933</td>
<td>12,211</td>
<td>21.5</td>
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<tr>
<td>Top Quintile</td>
<td>23,298</td>
<td>14.8</td>
<td>280,229</td>
<td>78,784</td>
<td>201,445</td>
<td>54.5</td>
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<tr>
<td>All</td>
<td>157,348</td>
<td>100.0</td>
<td>76,160</td>
<td>58,278</td>
<td>17,890</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Addendum

- 80-90
- 95-99
- Top 1 Percent
- Top 0.1 Percent

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Number of AMT Taxpayers (millions)</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average After-Tax Income Burden (Dollars)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>11,720</td>
<td>7.5</td>
<td>136,383</td>
<td>34,024</td>
<td>104,361</td>
<td>23.4</td>
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<tr>
<td>Second Quintile</td>
<td>5,754</td>
<td>5.6</td>
<td>196,549</td>
<td>50,065</td>
<td>146,485</td>
<td>25.5</td>
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<tr>
<td>Middle Quintile</td>
<td>4,665</td>
<td>3.0</td>
<td>345,745</td>
<td>94,783</td>
<td>250,961</td>
<td>27.4</td>
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<tr>
<td>Fourth Quintile</td>
<td>1,990</td>
<td>0.8</td>
<td>1,825,188</td>
<td>955,843</td>
<td>869,345</td>
<td>32.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>120.1</td>
<td>0.1</td>
<td>8,307,274</td>
<td>5,389,171</td>
<td>2,918,103</td>
<td>35.6</td>
</tr>
</tbody>
</table>


Number of AMT Taxpayers (millions). Baseline: 10.2 Proposal: 4.1

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit; reduce the phase-out rate to 1.4 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the EITC value for families with 3 children and higher; (c) modify the child credit making it equal to 50% of the first $1,000 of earned income ($300 for couples and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the phase-out for the 36 percent tax bracket to $250,000 less the standard deduction and two personal exemptions for married couples filing jointly and $200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets, the $3,000 child tax credit, and the expanded child and dependent care credits). Corporate income tax measures included were making the research and experimentation tax credit permanent; expanding net operating loss carryback, taxing carried interest as ordinary income, repealing LIFO, and implementing international OECD-inspired, reform deferral and other reform policies.

(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 the 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% $19,429, 40% $37,634, 60% $63,083, 80% $112,079, 90% $162,348, 95% $227,254, 99% $601,435, 99.9% $2,737,383.

(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 T09-0283
Administration’s Fiscal Year 2010 Budget Proposals
Detail Table

Baseline: Current Law

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<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Cash Income</th>
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<td></td>
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<td>With the Increase</td>
<td>Under the Proposal</td>
<td>Proposal</td>
<td>Proposal</td>
</tr>
<tr>
<td>Lower Quintile</td>
<td>78.7 0.0 6.7</td>
<td>7.0 -716 -292.4</td>
<td>-0.9 -0.6</td>
<td>-6.6 -4.3</td>
<td>Lower Quintile</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>83.7 0.3 5.1</td>
<td>11.9 -1,198 -42.1</td>
<td>-1.1</td>
<td>2.2</td>
<td>Middle Quintile</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>95.4 0.1 4.1</td>
<td>15.2 -1,998 -20.2</td>
<td>-0.9</td>
<td>7.9</td>
<td>Fourth Quintile</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>99.7 0.0 3.9</td>
<td>22.2 -2,409 -14.9</td>
<td>-0.6</td>
<td>16.7</td>
<td>Top Quintile</td>
</tr>
<tr>
<td>All</td>
<td>90.0 0.4 3.6</td>
<td>100.0 -2,071 -11.6</td>
<td>0.0</td>
<td>100.0</td>
<td>All</td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
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<td>With Tax Cut</td>
<td>With the Increase</td>
<td>Under the Proposal</td>
<td>Proposal</td>
<td>Proposal</td>
</tr>
<tr>
<td>80-90</td>
<td>99.8 0.0 4.0</td>
<td>16.6 -3,603 -12.6</td>
<td>-0.2</td>
<td>15.1</td>
<td>80-90</td>
</tr>
<tr>
<td>90-95</td>
<td>99.7 0.0 3.9</td>
<td>11.1 -4,806 -11.3</td>
<td>-0.1</td>
<td>11.6</td>
<td>90-95</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>71.6 28.4 0.7</td>
<td>5.1 -6,991 -14.4</td>
<td>3.1</td>
<td>29.4</td>
<td>Top 1 Percent</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>46.7 55.3 0.0</td>
<td>0.0 -365 0.0</td>
<td>1.7</td>
<td>15.0</td>
<td>Top 0.1 Percent</td>
</tr>
</tbody>
</table>

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</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>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>Lower Quintile</td>
<td>31,706 20.2</td>
<td>10,935 245</td>
<td>10,690 2.2</td>
<td>2.9</td>
<td>3.7</td>
<td>0.3</td>
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<tr>
<td>Middle Quintile</td>
<td>32,349 20.6</td>
<td>26,208 2,848</td>
<td>23,360 10.9</td>
<td>7.1</td>
<td>8.2</td>
<td>3.3</td>
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<tr>
<td>Fourth Quintile</td>
<td>29,936 19.0</td>
<td>46,322 7,856</td>
<td>38,467 17.0</td>
<td>12.1</td>
<td>13.1</td>
<td>8.8</td>
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</tr>
<tr>
<td>Top Quintile</td>
<td>29,936 19.0</td>
<td>235,547 65,618</td>
<td>169,930 27.9</td>
<td>58.8</td>
<td>55.4</td>
<td>70.2</td>
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</tr>
<tr>
<td>All</td>
<td>157,548 100.0</td>
<td>76,149 17.90</td>
<td>58,378 23.4</td>
<td>100.0</td>
<td>100.0</td>
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<tr>
<td></td>
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<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>80-90</td>
<td>15,019 9.6</td>
<td>117,618 28,521</td>
<td>89,137 24.2</td>
<td>14.7</td>
<td>14.6</td>
<td>15.3</td>
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<td>90-95</td>
<td>7,540 4.8</td>
<td>421,710 122,459</td>
<td>40,950 25.6</td>
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<td>10.2</td>
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<td>95-99</td>
<td>5,580 3.3</td>
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<tr>
<td>Top 1 Percent</td>
<td>1,456 0.9</td>
<td>1,584,726 42,711</td>
<td>1,542,015 27.3</td>
<td>19.0</td>
<td>16.8</td>
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<td>Top 0.1 Percent</td>
<td>142 0.1</td>
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<td>4,760,814 35.5</td>
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<td>7.4</td>
<td>13.2</td>
<td></td>
</tr>
</tbody>
</table>

Number of AMT Taxpayers (millions): Baseline: 18.2 | Proposal: 4.1

(1) Calendar year: Baseline is current law. Proposed would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify how the credit makes it equal to 75% of the first $500 of earned income for each child (or 150% of the first $500 of earned income for each child for taxpayers in the 35% and 39.6% tax brackets); (d) extend the American Opportunity Tax Credit; (e) extend the $3,000 child tax credit refundability threshold; (f) change the threshold for the 30% phase-out rate to $200,000 of AGI (married) and $100,000 (single), indexed for inflation after 2009; (g) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $250,000 of AGI (married) and $150,000 (single), indexed for inflation after 2009; (h) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (i) limit value of itemized deduction to 28 percent; (j) maintain the estate tax at its 2009 parameters.

(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% $13,268, 40% $24,875, 60% $42,021, 80% $60,444, 90% $98,198, 95% $139,231, 99% $363,345, 99.9% $1,676,752.

(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.
## Administration's Fiscal Year 2010 Budget Proposals

### Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012

#### Table T9-0283

<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 Income</td>
<td>Dollars</td>
<td>Percent</td>
<td>Under the Proposal</td>
<td>Under the Proposal</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>75.6</td>
<td>0.0</td>
<td>4.4</td>
<td>7.5</td>
<td>-340</td>
<td>-55.1</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>75.8</td>
<td>0.3</td>
<td>3.2</td>
<td>11.2</td>
<td>-955</td>
<td>-23.4</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>95.1</td>
<td>0.1</td>
<td>3.2</td>
<td>16.3</td>
<td>-993</td>
<td>-14.4</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.5</td>
<td>0.0</td>
<td>2.7</td>
<td>17.7</td>
<td>-1,178</td>
<td>-9.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>98.7</td>
<td>0.9</td>
<td>3.3</td>
<td>47.2</td>
<td>-3,773</td>
<td>-8.7</td>
</tr>
<tr>
<td>All</td>
<td>80.2</td>
<td>0.2</td>
<td>3.3</td>
<td>100.0</td>
<td>-1,114</td>
<td>-11.1</td>
</tr>
</tbody>
</table>

**Addendum:**
- 80-90, 90-95, 95-99
- Top 1 Percent
- Top 0.1 Percent

### Baseline Distribution of Income and Federal Taxes

#### Table T9-0293

<table>
<thead>
<tr>
<th>Cash Income Percentile</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 Rate (percent)</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>16,972</td>
<td>24.6</td>
<td>3,830</td>
<td>617</td>
<td>7,763</td>
<td>7.4</td>
<td>4.7</td>
<td>5.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>15,474</td>
<td>22.5</td>
<td>15,970</td>
<td>2,367</td>
<td>17,663</td>
<td>11.9</td>
<td>10.2</td>
<td>11.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>14,005</td>
<td>20.3</td>
<td>54,261</td>
<td>6,264</td>
<td>28,058</td>
<td>18.1</td>
<td>15.9</td>
<td>16.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>11,543</td>
<td>16.8</td>
<td>55,833</td>
<td>12,288</td>
<td>43,545</td>
<td>22.0</td>
<td>21.3</td>
<td>21.5</td>
<td>20.4</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>9,936</td>
<td>13.9</td>
<td>151,979</td>
<td>43,336</td>
<td>108,463</td>
<td>28.7</td>
<td>48.2</td>
<td>48.3</td>
<td>48.5</td>
</tr>
<tr>
<td>All</td>
<td>68,932</td>
<td>100.0</td>
<td>43,878</td>
<td>10,073</td>
<td>33,004</td>
<td>23.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Addendum:**
- 80-90
- 90-95
- 95-99
- Top 1 Percent
- Top 0.1 Percent

### Source:

1. Calendar year. Baseline is current law. Proposed would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC value for families with 3 children and higher phase-out threshold for married couples; (c) modify the sever's credit making it equal to 50% of the first $100 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold to $250,000 less the standard deduction and two personal exemptions for married couples filing jointly and $200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (g) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $200,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (h) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 5 percent and 10 percent rates for assets held for more than 5 years; (i) limit value of itemized deduction to 25 percent; (j) maintain the estate tax at its 2009 parameters.

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 https://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 the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% $13,268, 40% $24,875, 60% $42,021, 80% $68,444, 90% $104,198, 95% $139,231, 99% $363,345, 99.9% $1,676,752.

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 T09-0283
Administration's Fiscal Year 2010 Budget Proposals

Baseline: Current Law

Detail Table - Married Tax Units Filing Jointly

<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</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>Change (% Points)</th>
<th>Under the Proposal</th>
<th>Change (% Points)</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Income</td>
<td>Average Federal Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>77.5</td>
<td>0.0</td>
<td>2.6</td>
<td>-1,715</td>
<td>-26.3</td>
<td>-0.4</td>
<td>-0.3</td>
<td>-0.1</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>95.2</td>
<td>0.2</td>
<td>4.6</td>
<td>-1,935</td>
<td>-52.9</td>
<td>-0.8</td>
<td>0.9</td>
<td>-5.7</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>90.8</td>
<td>0.0</td>
<td>4.3</td>
<td>-2,514</td>
<td>-24.7</td>
<td>-0.9</td>
<td>4.8</td>
<td>-3.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.8</td>
<td>0.0</td>
<td>28.1</td>
<td>-3,411</td>
<td>-17.8</td>
<td>-1.2</td>
<td>14.1</td>
<td>-3.6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>97.8</td>
<td>2.2</td>
<td>49.6</td>
<td>-5,433</td>
<td>-7.0</td>
<td>3.5</td>
<td>10.3</td>
<td>-1.9</td>
</tr>
<tr>
<td>All</td>
<td>92.9</td>
<td>0.8</td>
<td>3.3</td>
<td>-12,244</td>
<td>-10.8</td>
<td>0.0</td>
<td>100.0</td>
<td>-2.6</td>
</tr>
</tbody>
</table>

Addendum

80-90                     | 99.9                  | 0.0                                | 4.4                              | 19.9                      | -4,580            | -13.9            | -4.5              | 15.0             | -3.3             | 20.5             |
90-95                     | 100.0                 | 0.0                                | 4.0                              | 15.5                      | -5,680            | -11.3            | -4.1              | 12.5             | -3.0             | 22.2             |
95-99                     | 97.5                  | 2.5                                | 2.9                              | 13.8                      | -7,216            | -7.9             | 0.6               | 19.6             | -2.1             | 25.1             |
Top 1 Percent             | 9.6                   | 30.4                               | 0.4                              | 2.4                       | -4,821            | -0.9             | 3.4               | 33.4             | -0.3             | 31.6             |
Top 0.1 Percent           | 4.9                   | 54.1                               | 0.0                              | 0.0                       | -43.3             | 0.0              | 1.8               | 16.7             | 0.0              | 34.8             |


<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Tax Units2</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income5</th>
<th>Average Federal Tax Rate6</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>6,622</td>
<td>10.8</td>
<td>14,526</td>
<td>14,080</td>
<td>3.1</td>
<td>1.2</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>8,956</td>
<td>14.6</td>
<td>33,405</td>
<td>29,025</td>
<td>10.7</td>
<td>3.8</td>
<td>4.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>11,470</td>
<td>18.7</td>
<td>59,671</td>
<td>50,289</td>
<td>15.7</td>
<td>8.9</td>
<td>9.9</td>
<td>8.7</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>15,032</td>
<td>24.5</td>
<td>95,023</td>
<td>75,821</td>
<td>20.2</td>
<td>18.5</td>
<td>19.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>18,609</td>
<td>10.3</td>
<td>261,842</td>
<td>213,833</td>
<td>27.6</td>
<td>67.8</td>
<td>64.9</td>
<td>77.0</td>
</tr>
<tr>
<td>All</td>
<td>61,357</td>
<td>100.0</td>
<td>126,020</td>
<td>93,337</td>
<td>24.4</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum

80-90                     | 8,660      | 14.4                     | 136,312                              | 103,993                   | 23.8                      | 15.9                     | 16.0                     | 15.5                   |
90-95                     | 4,843      | 7.9                      | 192,091                              | 143,809                   | 21.1                      | 12.0                     | 11.9                     | 12.4                   |
95-99                     | 3,890      | 6.3                      | 337,723                              | 243,850                   | 27.2                      | 17.0                     | 16.4                     | 19.0                   |
Top 1 Percent             | 1,015      | 1.7                      | 1,746,464                            | 1,191,047                 | 31.9                      | 23.0                     | 20.7                     | 30.1                   |
Top 0.1 Percent           | 102        | 0.2                      | 7,890,377                            | 5,147,445                 | 34.8                      | 10.5                     | 9.0                      | 14.9                   |


(1) Calendar year. Baseline is current law. Proposed would: (a) extend the Making Work Pay Credit, reduce the phase-out thresholds for inflation after 2010; (b) extend the higher ETIC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first $500 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to $250,000 less the standard deduction; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $250,000 (married) and $200,000 (single), indexed for inflation after 2009; (i) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $250,000 (married) and $200,000 (single), indexed for inflation after 2009; (j) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 0 percent and 15 percent rates for assets held for more than 5 years; (k) limit value of itemized deduction to 25 percent; (l) maintain the estate tax at its 2009 parameter.

(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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(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 T09-0283
Administration's Fiscal Year 2010 Budget Proposals


Baseline: Current Law

**Detail Table - Head of Household Tax Units**

<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>Change % Points</th>
<th>Change % Points</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>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>90.3</td>
<td>0.0</td>
<td>8.1</td>
<td>22.1</td>
<td>-1,153</td>
<td>150.7</td>
<td>-6.4</td>
</tr>
<tr>
<td></td>
<td>97.2</td>
<td>0.1</td>
<td>6.1</td>
<td>31.1</td>
<td>-1,700</td>
<td>89.1</td>
<td>-5.9</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>90.9</td>
<td>0.0</td>
<td>4.3</td>
<td>23.4</td>
<td>-1,800</td>
<td>21.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.7</td>
<td>0.0</td>
<td>3.7</td>
<td>14.9</td>
<td>-2,202</td>
<td>13.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>97.4</td>
<td>1.9</td>
<td>2.1</td>
<td>8.4</td>
<td>-2,782</td>
<td>3.9</td>
<td>8.9</td>
</tr>
<tr>
<td>All</td>
<td>95.4</td>
<td>0.4</td>
<td>4.8</td>
<td>100.0</td>
<td>-1,669</td>
<td>24.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Addendum**

80-90

| 90.2 | 0.0 | 2.8 | -4.6 | -2,353 | -8.5 | 2.9 | 16.4 | -2.1 |
| 99.2 | 0.0 | 3.8 | 2.0  | -3,672 | -4.8 | 1.2 | 18.6 | -2.2 |

95-99

| 94.9 | 5.1 | 2.0 | 1.8  | -4,153 | -5.9 | 0.1 | 9.1  | 1.5  |

Top 1 Percent

| 55.9 | 44.1 | 0.1 | 0.1  | -1,248 | -0.3 | 3.0 | 12.2 | -0.1 |

Top 0.1 Percent

| 40.4 | 59.6 | -0.3 | -0.1 | 14,389 | 0.6  | 1.4 | 5.8  | 0.6 |


<table>
<thead>
<tr>
<th>Cash Income Percentile</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 Rate (%)</th>
<th>Percent of Total</th>
<th>Percent of Total</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>7,440</td>
<td>31.9</td>
<td>15,400</td>
<td>-765</td>
<td>14,255</td>
<td>-5.7</td>
<td>10.3</td>
<td>15.0</td>
<td>-3.6</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>7,491</td>
<td>30.5</td>
<td>30,617</td>
<td>2,877</td>
<td>27,740</td>
<td>9.4</td>
<td>22.4</td>
<td>24.2</td>
<td>13.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>5,085</td>
<td>20.8</td>
<td>50,275</td>
<td>8,877</td>
<td>41,398</td>
<td>17.7</td>
<td>25.0</td>
<td>24.6</td>
<td>27.3</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>2,777</td>
<td>11.3</td>
<td>76,881</td>
<td>16,627</td>
<td>60,254</td>
<td>21.6</td>
<td>21.6</td>
<td>19.0</td>
<td>33.4</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>1,242</td>
<td>5.1</td>
<td>178,321</td>
<td>47,330</td>
<td>131,191</td>
<td>26.5</td>
<td>26.5</td>
<td>19.0</td>
<td>33.4</td>
</tr>
<tr>
<td>All</td>
<td>24,547</td>
<td>100.0</td>
<td>41,760</td>
<td>6,757</td>
<td>35,003</td>
<td>16.2</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Addendum**

80-90

| 805 | 3.3 | 112,765 | 27,407 | 84,358 | 24.7 | 8.9 | 8.0 | 13.5 |
| 252 | 0.9 | 154,895 | 39,277 | 115,616 | 21.4 | 3.5 | 3.1 | 5.5  |
| 252 | 0.9 | 39,277  | 115,616 | 21.4 | 3.5 | 3.1 | 5.5 |

95-99

| 173 | 0.7 | 278,418 | 70,004 | 208,414 | 29.1 | 4.7 | 4.2 | 7.3 |

Top 1 Percent

| 33  | 0.1 | 1,425,600 | 460,729 | 962,870 | 32.4 | 4.6 | 5.7 | 9.2 |

Top 0.1 Percent

| 3   | 0.0 | 6,950,105 | 2,450,412 | 4,500,091 | 33.3 | 2.0 | 1.5 | 4.3 |

Source: Urban-Brookings Tax Policy Center's Microsimulation Model (version 0500.1)

Footnotes:

1. Calendar year. Baseline is current law. Proposed would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first $500 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to $250,000 less the standard deduction and two-person exemptions for married couples filing jointly and $200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $220,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 0 and 15 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 25 percent; (k) maintain the estate tax at its 2009 parameters.

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. 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.


5. Federal tax as a percentage of cash income.
### Administration's Fiscal Year 2010 Budget Proposals

**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012**

#### Table T-09-0283

<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Percent of Tax Units4</th>
<th>Percent Change in After-Tax Income2</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></td>
<td></td>
<td>With Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>94.8</td>
<td>0.0</td>
<td>9.9</td>
<td>-1,550</td>
<td>165.7</td>
<td>-1.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Quintile</td>
<td>99.5</td>
<td>0.1</td>
<td>7.9</td>
<td>-2,443</td>
<td>89.0</td>
<td>-1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>99.9</td>
<td>0.0</td>
<td>5.3</td>
<td>-2,820</td>
<td>90.1</td>
<td>-1.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>100.0</td>
<td>0.0</td>
<td>5.1</td>
<td>-2,400</td>
<td>85.8</td>
<td>-1.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top Quintile</td>
<td>96.9</td>
<td>3.1</td>
<td>2.6</td>
<td>-5,555</td>
<td>6.4</td>
<td>-6.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>97.9</td>
<td>0.5</td>
<td>4.4</td>
<td>-5,217</td>
<td>6.4</td>
<td>-6.4</td>
</tr>
<tr>
<td>Addendum</td>
<td>100.0</td>
<td>0.0</td>
<td>4.5</td>
<td>-3,302</td>
<td>3.6</td>
<td>-3.2</td>
</tr>
</tbody>
</table>

| Top 1 Percent            | 55.8                  | 44.2                             | 0.0                              | 19,600                     | 0.6                   | -3.3                     |
|                         |                       |                                   |                                 |                           |                       |                          |
| Top 0.1 Percent          | 32.7                  | 87.4                             | -0.1                             | 20,600                     | 0.6                   | -2.7                     |

**Baseline Distribution of Income and Federal Taxes**

<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Number of Tax Units (in thousands)</th>
<th>Average Income (in thousands)</th>
<th>Average Federal Tax Burden (in thousands)</th>
<th>Average After-Tax Income6 (in thousands)</th>
<th>Average Federal Tax Rate6 (in thousands)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Total Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>10,133</td>
<td>10,133</td>
<td>14,723</td>
<td>936</td>
<td>15,659</td>
<td>6.4</td>
<td>4.4</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,359</td>
<td>34,672</td>
<td>3,539</td>
<td>31,133</td>
<td>10.2</td>
<td>7.7</td>
<td>3.3</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>10,251</td>
<td>20.9</td>
<td>62,298</td>
<td>11,329</td>
<td>50,969</td>
<td>18.2</td>
<td>13.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>9,800</td>
<td>19.9</td>
<td>103,142</td>
<td>22,938</td>
<td>80,203</td>
<td>22.2</td>
<td>21.6</td>
<td>20.4</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>8,315</td>
<td>16.9</td>
<td>306,063</td>
<td>78,062</td>
<td>218,801</td>
<td>28.7</td>
<td>54.3</td>
<td>66.4</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>48,155</td>
<td>100.0</td>
<td>95,419</td>
<td>71,324</td>
<td>24,095</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Addendum</td>
<td>4,398</td>
<td>9.0</td>
<td>157,496</td>
<td>58,466</td>
<td>98,969</td>
<td>39.4</td>
<td>47.7</td>
<td>64.7</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>374</td>
<td>0.8</td>
<td>2,088,455</td>
<td>706,373</td>
<td>1,382,081</td>
<td>33.8</td>
<td>16.7</td>
<td>24.0</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>36</td>
<td>0.0</td>
<td>9,319,694</td>
<td>6,320,273</td>
<td>2,999,421</td>
<td>35.8</td>
<td>7.6</td>
<td>13.5</td>
</tr>
</tbody>
</table>


1. Calendar year: Baseline is current law; Proposed would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the severance credit making it equal to 95% of the first $500 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the threshold for the 30 percent tax to $235,000 less the standard deduction; and two personal exemptions for married couples filing jointly and $180,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deductions to 28 percent; (k) maintain the estate tax at its 2009 parameters.

2. Addendum:
   - 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in these brackets, the $1,000 child tax credit, and the expanded child and dependent care credit). Corporate income tax measures included were making the research and experimentation tax credit permanent; expanding net operating loss carryback, taxing carried interest as ordinary income, repealing LIFO, and implementing international enforcement, reform deferral and other reform policies.
   - Includes both filing and non-filing units but excludes those that are dependents of other tax units.
   - Corporate income tax includes income tax not of refundable credits, corporate income tax, payroll taxes (Social Security and Medicare), and estate tax.
   - 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 T09-0283
Administration's Fiscal Year 2010 Budget Proposals
Baseline: Current Law

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in Average Federal Tax Change</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>After-Tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Dollars)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>34.2</td>
<td>0.0</td>
<td>1.0</td>
<td>-108</td>
<td>-0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>52.2</td>
<td>0.2</td>
<td>1.2</td>
<td>-251</td>
<td>-0.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>81.1</td>
<td>0.2</td>
<td>1.7</td>
<td>-692</td>
<td>-0.5</td>
<td>3.2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>99.1</td>
<td>0.0</td>
<td>2.6</td>
<td>-1,569</td>
<td>-0.7</td>
<td>10.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>98.1</td>
<td>1.4</td>
<td>5.6</td>
<td>-6,945</td>
<td>1.6</td>
<td>10.1</td>
</tr>
<tr>
<td>All</td>
<td>71.6</td>
<td>0.4</td>
<td>2.9</td>
<td>-1,797</td>
<td>0.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum
80-90
99.2                     | 0.0                   | 4.2                                          | 16.3                           | -5,994                     | -0.8                  | 9.5                      | -5.4                     | 15.3                     |
90-95
99.5                     | 0.0                   | 4.6                                          | 13.8                           | -5,462                     | -0.5                  | 9.2                      | -5.6                     | 18.1                     |
95-99
99.4                     | 0.6                   | 5.3                                          | 27.5                           | -10,087                    | -0.9                  | 20.0                     | -4.0                     | 22.0                     |
Top 1 Percent
83.9                     | 16.1                  | 1.9                                          | 14.3                           | -17,182                    | 1.7                   | 46.1                     | -4.2                     | 31.4                     |
Top 0.1 Percent
58.0                     | 42.0                  | 0.5                                          | 1.6                            | -20,516                    | 2.6                   | 24.0                     | -0.1                     | 35.5                     |

Table T09-0283
Administration's Fiscal Year 2010 Budget Proposals
Baseline: Current Law

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Number of Tax Units (Thousands)</th>
<th>Average Income Before Tax (Dollars)</th>
<th>Average Income After-Tax Income (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Total Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>5,016</td>
<td>16.4</td>
<td>10,899</td>
<td>10,816</td>
<td>2.6</td>
<td>2.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>8,213</td>
<td>26.9</td>
<td>22,528</td>
<td>21,299</td>
<td>4.4</td>
<td>3.0</td>
<td>9.6</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>5,961</td>
<td>19.6</td>
<td>70,318</td>
<td>61,242</td>
<td>12.8</td>
<td>16.7</td>
<td>10.2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>5,495</td>
<td>18.0</td>
<td>70,318</td>
<td>61,242</td>
<td>12.8</td>
<td>16.7</td>
<td>10.2</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>5,617</td>
<td>18.4</td>
<td>237,048</td>
<td>180,093</td>
<td>26.8</td>
<td>62.4</td>
<td>37.1</td>
</tr>
<tr>
<td>All</td>
<td>30,543</td>
<td>100.0</td>
<td>75,737</td>
<td>60,555</td>
<td>20.1</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum
80-90
2,427                     | 8.0                              | 105,444                             | 94,954                                    | 94,954                            | 11.1                    | 11.1                     | 10.3                      |
90-95
1,362                     | 4.5                              | 153,103                             | 119,913                                   | 119,913                           | 21.7                    | 9.0                      | 8.8                       | 9.8                      |
95-99
1,204                     | 4.6                              | 103,103                             | 85,645                                    | 85,645                            | 26.1                    | 76.1                     | 15.2                      | 0.2                      |
Top 1 Percent
454                     | 1.4                              | 1,396,961                           | 941,644                                   | 941,644                           | 32.6                    | 26.2                     | 22.1                      | 42.6                     |
Top 0.1 Percent
42                     | 0.1                              | 6,220,891                           | 4,182,648                                 | 4,182,648                         | 12.0                    | 9.6                      | 21.4                      |                            |

Source: Urban-Brookings Tax Policy Center/Macrofutlook Model (version 09-11)
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. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first $500 of retirement savings ($1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRA; (e) extend the American Opportunity Tax Credit; (f) extend the $3,000 child tax credit refundability threshold; (g) change the threshold for the 35.0 percent tax bracket to $200,000 less the standard deduction and two personal exemptions for married couples filing jointly and $150,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2010; (h) set the thresholds for the personal exemption-phase-out and limitation on itemized deductions to $50,000 of AGI (married) and $25,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters.

(2) Extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (i) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters.

(3) Excluding capital gains and dividends.

(4) Excluding capital gains and dividends.

(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.

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