

Table T09-0138
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 2012 ¹
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 (%) Points)	Under the Proposal
Lowest Quintile	76.9	0.1	4.4	-1,892.1	-491	-4.2	0.8
Second Quintile	86.2	0.1	2.3	-2,139.2	-616	-2.1	8.4
Middle Quintile	94.7	0.1	1.5	-2,082.0	-665	-1.2	15.2
Fourth Quintile	95.4	0.3	1.0	-1,860.0	-704	-0.8	18.1
Top Quintile	76.8	15.0	-1.7	8,098.2	3,476	1.2	26.0
All	85.6	2.4	0.0	100.0	6	0.0	20.6
Addendum							
80-90	91.6	0.5	0.7	-902.4	-766	-0.6	20.8
90-95	89.6	1.4	0.3	-289.2	-505	-0.3	22.3
95-99	39.8	50.3	-1.0	1,228.2	2,652	0.8	25.3
Top 1 Percent	11.0	88.6	-5.3	8,061.5	69,073	3.8	32.6
Top 0.1 Percent	2.4	97.6	-6.4	4,385.3	371,675	4.4	35.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 3.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

(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.

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Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
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	76.9	0.1	4.4	-1,892.1	-491	-83.8	-0.8	0.2	-4.2	0.8
Second Quintile	86.2	0.1	2.3	-2,139.2	-616	-19.9	-0.9	3.5	-2.1	8.4
Middle Quintile	94.7	0.1	1.5	-2,082.0	-665	-7.5	-0.8	10.3	-1.2	15.2
Fourth Quintile	95.4	0.3	1.0	-1,860.0	-704	-4.1	-0.8	17.6	-0.8	18.1
Top Quintile	76.8	15.0	-1.7	8,098.2	3,476	5.0	3.2	68.3	1.2	26.0
All	85.6	2.4	0.0	100.0	6	0.0	0.0	100.0	0.0	20.6
Addendum										
80-90	91.6	0.5	0.7	-902.4	-766	-2.6	-0.4	13.8	-0.6	20.8
90-95	89.6	1.4	0.3	-289.2	-505	-1.1	-0.1	10.1	-0.3	22.3
95-99	39.8	50.3	-1.0	1,228.2	2,652	3.1	0.5	16.4	0.8	25.3
Top 1 Percent	11.0	88.6	-5.3	8,061.5	69,073	13.1	3.2	28.0	3.8	32.6
Top 0.1 Percent	2.4	97.6	-6.4	4,385.3	371,675	14.2	1.8	14.2	4.4	35.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2012¹

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	39,109	24.9	11,727	586	11,141	5.0	3.7	4.5	0.9
Second Quintile	35,235	22.4	29,685	3,104	26,580	10.5	8.5	9.6	4.3
Middle Quintile	31,797	20.2	53,843	8,856	44,987	16.5	14.0	14.7	11.2
Fourth Quintile	26,816	17.1	91,347	17,257	74,090	18.9	20.0	20.4	18.4
Top Quintile	23,648	15.0	279,733	69,307	210,426	24.8	54.0	51.2	65.1
All	157,316	100.0	77,851	16,014	61,837	20.6	100.0	100.0	100.0
Addendum									
80-90	11,954	7.6	139,760	29,763	109,996	21.3	13.6	13.5	14.1
90-95	5,808	3.7	197,580	44,515	153,065	22.5	9.4	9.1	10.3
95-99	4,701	3.0	346,049	85,032	261,016	24.6	13.3	12.6	15.9
Top 1 Percent	1,185	0.8	1,831,745	527,460	1,304,284	28.8	17.7	15.9	24.8
Top 0.1 Percent	120	0.1	8,392,568	2,614,774	5,777,794	31.2	8.2	7.1	12.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

Number of AMT Taxpayers (millions). Baseline: 4.9 Proposal: 3.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

(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.

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Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	80.7	0.0	5.8	-2,003.2	-629	-486.0	-0.8	-0.6	-5.7	-4.6
Second Quintile	81.3	0.2	2.4	-1,899.2	-595	-24.9	-0.8	2.3	-2.2	6.7
Middle Quintile	91.5	0.2	1.6	-1,964.6	-634	-8.9	-0.8	8.2	-1.3	13.8
Fourth Quintile	96.2	0.3	1.0	-2,012.0	-677	-4.6	-0.8	17.0	-0.9	17.8
Top Quintile	79.6	11.7	-1.5	8,003.8	2,683	4.6	3.2	73.1	1.1	25.8
All	85.6	2.4	0.0	100.0	6	0.0	0.0	100.0	0.0	20.6
Addendum										
80-90	95.0	0.1	0.7	-956.3	-636	-2.5	-0.4	15.0	-0.5	20.8
90-95	83.1	1.4	0.3	-308.3	-411	-1.1	-0.1	11.5	-0.2	22.5
95-99	51.4	36.8	-0.9	1,130.1	1,926	2.7	0.5	17.5	0.7	25.0
Top 1 Percent	13.5	85.9	-5.1	8,138.4	57,706	12.7	3.3	29.1	3.6	32.3
Top 0.1 Percent	3.6	96.4	-6.3	4,504.9	323,041	14.1	1.8	14.7	4.4	35.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	32,338	20.6	10,962	129	10,833	1.2	2.9	3.6	0.2
Second Quintile	32,399	20.6	27,043	2,392	24,650	8.9	7.2	8.2	3.1
Middle Quintile	31,437	20.0	47,482	7,165	40,316	15.1	12.2	13.0	8.9
Fourth Quintile	30,153	19.2	79,882	14,861	65,020	18.6	19.7	20.2	17.8
Top Quintile	30,278	19.3	236,122	58,147	177,975	24.6	58.4	55.4	69.9
All	157,316	100.0	77,851	16,014	61,837	20.6	100.0	100.0	100.0
Addendum									
80-90	15,269	9.7	119,425	25,444	93,982	21.3	14.9	14.8	15.4
90-95	7,622	4.9	168,851	38,331	130,520	22.7	10.5	10.2	11.6
95-99	5,955	3.8	296,127	71,972	224,155	24.3	14.4	13.7	17.0
Top 1 Percent	1,432	0.9	1,589,334	454,939	1,134,396	28.6	18.6	16.7	25.9
Top 0.1 Percent	142	0.1	7,406,757	2,298,277	5,108,481	31.0	8.6	7.4	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).
Number of AMT Taxpayers (millions). Baseline: 4.9 Proposal: 3.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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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 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.

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Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	76.0	0.0	4.6	48.1	-341	-52.4	-0.9	0.8	-4.2	3.8
Second Quintile	72.0	0.3	1.8	43.8	-335	-14.7	-0.7	4.8	-1.6	9.4
Middle Quintile	89.2	0.0	1.5	53.4	-440	-7.6	-0.8	12.4	-1.3	15.3
Fourth Quintile	95.4	0.0	0.9	41.9	-432	-3.7	-0.4	20.9	-0.8	19.7
Top Quintile	80.3	6.5	-1.0	-87.8	1,099	2.8	2.8	60.9	0.7	26.2
All	81.6	1.0	0.5	100.0	-174	-1.9	0.0	100.0	-0.4	20.4
Addendum										
80-90	95.2	0.0	0.6	15.8	-374	-1.9	0.0	15.5	-0.4	22.5
90-95	70.1	0.0	0.2	2.8	-143	-0.5	0.2	10.9	-0.1	23.8
95-99	64.0	18.1	-0.3	-6.6	448	0.9	0.4	14.1	0.2	24.5
Top 1 Percent	16.3	82.4	-4.5	-99.9	33,015	10.2	2.2	20.5	3.1	33.7
Top 0.1 Percent	3.7	96.2	-6.4	-58.1	221,943	12.2	1.3	10.1	4.2	38.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	16,855	24.6	8,088	651	7,438	8.1	4.4	5.1	1.7
Second Quintile	15,642	22.8	20,751	2,276	18,474	11.0	10.5	11.8	5.5
Middle Quintile	14,507	21.2	35,163	5,832	29,332	16.6	16.5	17.3	13.2
Fourth Quintile	11,601	16.9	57,652	11,814	45,838	20.5	21.6	21.7	21.3
Top Quintile	9,540	13.9	153,955	39,161	114,794	25.4	47.4	44.6	58.1
All	68,506	100.0	45,237	9,381	35,856	20.7	100.0	100.0	100.0
Addendum									
80-90	5,053	7.4	86,100	19,722	66,378	22.9	14.0	13.7	15.5
90-95	2,377	3.5	121,430	29,028	92,402	23.9	9.3	8.9	10.7
95-99	1,749	2.6	207,161	50,235	156,925	24.3	11.7	11.2	13.7
Top 1 Percent	362	0.5	1,058,983	323,951	735,032	30.6	12.4	10.8	18.2
Top 0.1 Percent	31	0.1	5,306,728	1,815,969	3,490,759	34.2	5.4	4.4	8.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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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.

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Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	79.0	0.0	6.3	-22.7	-896	-653.9	-0.4	-0.3	-6.2	-5.3
Second Quintile	84.8	0.1	3.1	-32.0	-988	-34.1	-0.5	1.0	-2.9	5.5
Middle Quintile	91.5	0.4	1.7	-38.6	-930	-10.9	-0.7	5.0	-1.5	12.3
Fourth Quintile	97.0	0.5	1.1	-50.6	-900	-5.2	-1.0	14.5	-0.9	16.7
Top Quintile	81.0	14.3	-1.6	244.5	3,458	5.1	2.6	79.8	1.2	25.6
All	87.2	4.6	-0.4	100.0	440	1.6	0.0	100.0	0.3	21.7
Addendum										
80-90	97.6	0.2	0.8	-28.0	-822	-2.9	-0.7	15.0	-0.6	20.1
90-95	91.0	1.7	0.4	-10.1	-554	-1.3	-0.4	12.2	-0.3	22.0
95-99	47.3	44.4	-1.0	37.9	2,588	3.2	0.3	19.6	0.8	25.1
Top 1 Percent	12.9	86.7	-5.2	244.8	65,415	13.2	3.4	33.0	3.7	31.9
Top 0.1 Percent	3.6	96.3	-6.3	131.7	348,788	14.5	1.9	16.4	4.4	34.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	6,836	11.1	14,389	137	14,252	1.0	1.2	1.6	0.1
Second Quintile	8,755	14.3	34,618	2,893	31,725	8.4	3.8	4.5	1.5
Middle Quintile	11,214	18.3	62,026	8,569	53,457	13.8	8.8	9.6	5.7
Fourth Quintile	15,212	24.8	97,768	17,189	80,579	17.6	18.8	19.7	15.5
Top Quintile	19,110	31.1	279,599	68,096	211,503	24.4	67.6	65.0	77.1
All	61,400	100.0	128,766	27,486	101,280	21.4	100.0	100.0	100.0
Addendum									
80-90	9,202	15.0	138,970	28,682	110,288	20.6	16.2	16.3	15.6
90-95	4,942	8.1	192,850	43,002	149,848	22.3	12.1	11.9	12.6
95-99	3,955	6.4	337,574	82,153	255,421	24.3	16.9	16.2	19.3
Top 1 Percent	1,011	1.7	1,756,500	494,405	1,262,094	28.2	22.5	20.5	29.6
Top 0.1 Percent	102	0.2	7,937,859	2,411,674	5,526,185	30.4	10.2	9.1	14.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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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 2009 dollars): 20% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.99% \$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 T09-0138
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	91.2	0.0	6.7	51.7	-999	103.4	-7.6	-13.4	-7.1	-14.0
Second Quintile	95.7	0.1	2.3	32.3	-687	-34.8	-2.8	7.9	-2.2	4.1
Middle Quintile	97.3	0.2	1.3	17.5	-564	-7.2	1.4	29.5	-1.1	14.1
Fourth Quintile	95.3	0.0	0.9	9.2	-546	-3.6	2.7	32.4	-0.7	18.7
Top Quintile	54.4	8.4	-1.1	-10.8	1,512	3.4	6.3	43.4	0.8	25.0
All	92.4	0.5	1.8	100.0	-649	-11.6	0.0	100.0	-1.6	11.8
Addendum										
80-90	61.7	0.0	0.3	1.1	-229	-0.9	1.7	15.6	-0.2	22.4
90-95	54.4	2.4	0.2	0.3	-259	-0.7	0.7	6.3	-0.2	23.1
95-99	31.6	36.0	-0.7	-1.6	1,555	2.4	1.3	9.2	0.6	23.8
Top 1 Percent	4.6	93.5	-5.1	-10.6	52,499	12.6	2.7	12.4	3.6	32.5
Top 0.1 Percent	2.0	97.8	-6.4	-5.5	306,703	14.1	1.3	5.8	4.4	35.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	8,355	33.6	13,999	-966	14,965	-6.9	11.3	13.9	-5.8
Second Quintile	7,578	30.5	31,423	1,973	29,449	6.3	22.9	24.8	10.8
Middle Quintile	5,002	20.1	51,564	7,822	43,743	15.2	24.8	24.3	28.1
Fourth Quintile	2,726	11.0	78,373	15,181	63,191	19.4	20.6	19.2	29.8
Top Quintile	1,153	4.6	184,854	44,770	140,084	24.2	20.5	18.0	37.1
All	24,862	100.0	41,756	5,595	36,162	13.4	100.0	100.0	100.0
Addendum									
80-90	740	3.0	115,411	26,060	89,350	22.6	8.2	7.4	13.9
90-95	211	0.9	158,521	36,925	121,597	23.3	3.2	2.9	5.6
95-99	169	0.7	280,025	65,110	214,915	23.3	4.6	4.0	7.9
Top 1 Percent	32	0.1	1,444,013	416,449	1,027,564	28.8	4.5	3.7	9.7
Top 0.1 Percent	3	0.0	6,993,121	2,173,246	4,819,874	31.1	2.0	1.6	4.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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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 T09-0138
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	94.6	0.0	7.5	207.6	-1,224	94.0	-1.4	-2.9	-8.1	-16.7
Second Quintile	99.1	0.1	3.2	173.9	-1,057	-45.5	-1.2	1.4	-3.0	3.6
Middle Quintile	99.3	0.3	1.7	151.5	-933	-9.5	-1.0	9.8	-1.5	13.9
Fourth Quintile	98.0	0.7	1.1	142.7	-943	-4.7	-0.8	19.7	-0.9	18.1
Top Quintile	70.7	19.1	-2.0	-577.7	4,688	5.8	4.4	71.9	1.5	27.1
All	93.3	3.3	0.2	100.0	-129	-0.7	0.0	100.0	-0.1	20.0
Addendum										
80-90	92.1	0.2	0.7	56.5	-885	-2.5	-0.3	15.1	-0.6	21.7
90-95	76.2	4.8	0.2	11.0	-373	-0.7	0.0	10.6	-0.2	23.1
95-99	23.3	68.6	-1.6	-115.8	4,847	4.7	0.9	17.7	1.2	27.0
Top 1 Percent	5.4	94.3	-6.1	-529.4	89,344	14.5	3.8	28.5	4.3	33.9
Top 0.1 Percent	1.1	98.8	-6.8	-261.1	453,776	14.9	1.9	13.7	4.7	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	10,815	21.9	15,090	-1,302	16,391	-8.6	3.5	4.7	-1.5
Second Quintile	10,484	21.3	35,679	2,322	33,358	6.5	8.0	9.3	2.6
Middle Quintile	10,353	21.0	64,150	9,824	54,327	15.3	14.2	15.0	10.8
Fourth Quintile	9,644	19.6	105,690	20,106	85,585	19.0	21.7	22.0	20.5
Top Quintile	7,855	15.9	316,419	81,192	235,227	25.7	53.0	49.3	67.5
All	49,293	100.0	95,214	19,170	76,045	20.1	100.0	100.0	100.0
Addendum									
80-90	4,070	8.3	160,563	35,769	124,794	22.3	13.9	13.6	15.4
90-95	1,884	3.8	227,342	52,936	174,406	23.3	9.1	8.8	10.6
95-99	1,523	3.1	403,939	104,293	299,646	25.8	13.1	12.2	16.8
Top 1 Percent	378	0.8	2,087,355	618,474	1,468,881	29.6	16.8	14.8	24.7
Top 0.1 Percent	37	0.1	9,762,184	3,048,101	6,714,083	31.2	7.6	6.6	11.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

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

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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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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Table T09-0138
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Major Individual Income Tax Provisions, Maintain Estate Tax at 2009 Parameters, Major Corporate Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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 (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	41.0	0.0	1.2	-3.5	-120	-33.8	-0.1	0.2	-1.1	2.2
Second Quintile	43.2	0.0	0.5	-5.5	-104	-11.4	-0.2	1.3	-0.5	3.5
Middle Quintile	63.8	0.1	0.4	-6.0	-159	-7.8	-0.3	2.2	-0.4	4.6
Fourth Quintile	86.8	0.2	0.5	-12.5	-315	-3.8	-0.7	9.9	-0.4	10.7
Top Quintile	83.0	10.6	-1.4	127.5	2,495	4.8	1.3	86.3	1.1	23.3
All	64.6	2.6	-0.7	100.0	477	3.2	0.0	100.0	0.6	17.9
Addendum										
80-90	91.9	0.0	0.4	-7.8	-326	-1.9	-0.7	12.4	-0.3	15.2
90-95	93.3	0.2	0.2	-3.8	-300	-1.0	-0.5	11.3	-0.2	18.4
95-99	70.3	25.3	-0.5	12.4	1,062	1.9	-0.3	21.3	0.4	21.9
Top 1 Percent	18.8	80.4	-4.2	126.7	42,122	10.5	2.7	41.5	3.0	31.7
Top 0.1 Percent	3.4	96.5	-5.8	75.3	259,467	12.6	1.8	21.1	4.0	35.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	4,167	13.8	10,783	356	10,427	3.3	1.7	2.0	0.3
Second Quintile	7,540	24.9	23,370	916	22,454	3.9	6.8	7.9	1.5
Middle Quintile	5,432	17.9	41,368	2,042	39,326	4.9	8.7	10.0	2.5
Fourth Quintile	5,756	19.0	74,513	8,256	66,257	11.1	16.6	17.8	10.6
Top Quintile	7,378	24.4	232,411	51,674	180,737	22.2	66.3	62.3	85.0
All	30,291	100.0	85,420	14,808	70,612	17.3	100.0	100.0	100.0
Addendum									
80-90	3,435	11.3	109,456	16,987	92,468	15.5	14.5	14.9	13.0
90-95	1,827	6.0	155,369	28,812	126,556	18.5	11.0	10.8	11.7
95-99	1,681	5.6	267,378	57,452	209,926	21.5	17.4	16.5	21.5
Top 1 Percent	434	1.4	1,393,711	399,844	993,866	28.7	23.4	20.2	38.7
Top 0.1 Percent	42	0.1	6,524,092	2,066,945	4,457,147	31.7	10.6	8.7	19.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

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

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal extends the Making Work Pay Credit, the Earned Income Tax Credit expansion; the Saver's credit expansion; creates automatic 401(k)s and IRAs; and extends the American Opportunity Tax Credit; reinstates the 36 percent and 39.6 percent rates; reinstates the personal exemption phaseout and limitation on itemized deductions for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); imposes a 20 percent rate on capital gains and qualified dividends for those taxpayers with AGI over \$250,000 (married) and \$200,000 (single); and limits the tax rate at which itemized deductions reduce tax liability to 28 percent. 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.

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