

**Table T09-0154**  
**Administration's Fiscal Year 2010 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2017 <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>	71.1	0.3	4.6	6.3	-604	-4.3	1.7
<b>Second Quintile</b>	79.6	0.2	3.7	11.1	-1,165	-3.3	8.9
<b>Middle Quintile</b>	93.8	0.1	3.6	15.9	-1,876	-2.9	16.1
<b>Fourth Quintile</b>	99.1	0.0	4.2	26.5	-3,689	-3.3	19.3
<b>Top Quintile</b>	95.7	4.1	2.6	40.1	-6,332	-1.9	26.2
<b>All</b>	85.9	0.7	3.3	100.0	-2,371	-2.5	21.1
<b>Addendum</b>							
<b>80-90</b>	99.7	0.1	4.5	18.8	-5,850	-3.4	21.8
<b>90-95</b>	99.6	0.2	4.6	12.9	-8,335	-3.4	23.3
<b>95-99</b>	91.7	8.0	2.2	8.7	-6,939	-1.6	26.4
<b>Top 1 Percent</b>	51.1	48.6	-0.1	-0.3	1,037	0.1	31.4
<b>Top 0.1 Percent</b>	32.6	67.3	-0.3	-0.6	18,728	0.2	34.0

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

Number of AMT Taxpayers (millions). Baseline: 36.4

Proposal: 4.0

(1) Calendar year. Baseline is current law. 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.

(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% \$21,511, 40% \$40,507, 60% \$73,121, 80% \$124,687, 90% \$180,507, 95% \$253,364, 99% \$647,596, 99.9% \$2,909,682.

(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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**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2017 <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	71.1	0.3	4.6	6.3	-604	-71.3	-0.6	0.3	-4.3	1.7
Second Quintile	79.6	0.2	3.7	11.1	-1,165	-26.9	-0.8	3.6	-3.3	8.9
Middle Quintile	93.8	0.1	3.6	15.9	-1,876	-15.2	-0.6	10.5	-2.9	16.1
Fourth Quintile	99.1	0.0	4.2	26.5	-3,689	-14.5	-0.9	18.5	-3.3	19.3
Top Quintile	95.7	4.1	2.6	40.1	-6,332	-6.6	2.9	67.0	-1.9	26.2
All	85.9	0.7	3.3	100.0	-2,371	-10.6	0.0	100.0	-2.5	21.1
<b>Addendum</b>										
80-90	99.7	0.1	4.5	18.8	-5,850	-13.3	-0.5	14.5	-3.4	21.8
90-95	99.6	0.2	4.6	12.9	-8,335	-12.6	-0.2	10.7	-3.4	23.3
95-99	91.7	8.0	2.2	8.7	-6,939	-5.8	0.9	16.9	-1.6	26.4
Top 1 Percent	51.1	48.6	-0.1	-0.3	1,037	0.2	2.7	25.0	0.1	31.4
Top 0.1 Percent	32.6	67.3	-0.3	-0.6	18,728	0.6	1.3	12.0	0.2	34.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2017 <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	41,566	24.8	14,062	847	13,215	6.0	3.7	4.5	0.9
Second Quintile	37,825	22.6	35,605	4,325	31,280	12.2	8.5	9.8	4.4
Middle Quintile	33,692	20.1	65,007	12,360	52,647	19.0	13.8	14.6	11.1
Fourth Quintile	28,500	17.0	112,819	25,445	87,374	22.6	20.3	20.6	19.3
Top Quintile	25,143	15.0	341,081	95,703	245,379	28.1	54.0	50.9	64.2
All	167,465	100.0	94,762	22,399	72,363	23.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	12,762	7.6	174,473	43,840	130,632	25.1	14.0	13.8	14.9
90-95	6,162	3.7	248,612	66,295	182,317	26.7	9.7	9.3	10.9
95-99	4,970	3.0	431,148	120,690	310,458	28.0	13.5	12.7	16.0
Top 1 Percent	1,249	0.8	2,140,734	671,107	1,469,627	31.4	16.9	15.2	22.4
Top 0.1 Percent	127	0.1	9,329,067	3,153,054	6,176,013	33.8	7.5	6.5	10.7

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

Number of AMT Taxpayers (millions). Baseline: 36.4 Proposal: 4.0

(1) Calendar year. Baseline is current law. 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

(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% \$21,511, 40% \$40,507, 60% \$73,121, 80% \$124,687, 90% \$180,507, 95% \$253,364, 99% \$647,596, 99.9% \$2,909,682.

(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.

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**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017 <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	75.3	0.0	6.2	6.8	-786	-182.3	-0.8	-0.4	-6.0	-2.7
Second Quintile	76.0	0.5	4.3	10.9	-1,240	-32.8	-0.9	2.6	-3.8	7.8
Middle Quintile	86.5	0.1	3.8	15.3	-1,804	-18.3	-0.8	8.1	-3.2	14.1
Fourth Quintile	98.1	0.0	4.1	25.3	-3,173	-14.5	-0.8	17.7	-3.2	18.9
Top Quintile	96.4	3.2	2.5	41.6	-5,150	-6.4	3.2	71.9	-1.8	26.0
All	85.9	0.7	3.3	100.0	-2,371	-10.6	0.0	100.0	-2.5	21.1
<b>Addendum</b>										
80-90	99.6	0.1	4.0	18.4	-4,520	-12.2	-0.3	15.7	-3.0	21.8
90-95	99.4	0.1	4.1	12.9	-6,377	-11.4	-0.1	11.9	-3.0	23.4
95-99	94.2	5.5	2.4	10.3	-6,483	-6.3	0.8	18.1	-1.8	26.1
Top 1 Percent	55.6	43.9	0.0	-0.1	142	0.0	2.8	26.1	0.0	31.1
Top 0.1 Percent	34.5	65.3	-0.3	-0.6	15,457	0.6	1.4	12.6	0.2	33.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	34,386	20.5	13,120	431	12,688	3.3	2.8	3.6	0.4
Second Quintile	34,848	20.8	32,557	3,778	28,778	11.6	7.2	8.3	3.5
Middle Quintile	33,757	20.2	56,995	9,842	47,153	17.3	12.1	13.1	8.9
Fourth Quintile	31,701	18.9	98,927	21,859	77,068	22.1	19.8	20.2	18.5
Top Quintile	32,033	19.1	289,295	80,387	208,908	27.8	58.4	55.2	68.7
All	167,465	100.0	94,762	22,399	72,363	23.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	16,188	9.7	149,228	37,089	112,139	24.9	15.2	15.0	16.0
90-95	8,019	4.8	212,959	56,107	156,852	26.4	10.8	10.4	12.0
95-99	6,307	3.8	369,070	102,928	266,143	27.9	14.7	13.9	17.3
Top 1 Percent	1,519	0.9	1,854,111	576,527	1,277,584	31.1	17.7	16.0	23.3
Top 0.1 Percent	151	0.1	8,252,663	2,780,095	5,472,568	33.7	7.8	6.8	11.2

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

Number of AMT Taxpayers (millions). Baseline: 36.4 Proposal: 4.0

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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**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017 <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	70.1	0.1	4.4	9.3	-393	-46.8	-0.7	0.9	-4.1	4.6
Second Quintile	63.7	0.6	2.6	13.3	-585	-20.6	-0.7	4.6	-2.3	8.9
Middle Quintile	81.6	0.1	2.3	17.3	-819	-11.5	-0.5	11.8	-1.9	14.8
Fourth Quintile	98.0	0.0	2.5	22.0	-1,378	-8.5	-0.1	21.1	-1.9	20.9
Top Quintile	97.4	2.0	2.1	38.0	-2,841	-5.2	1.9	61.4	-1.5	27.2
All	79.2	0.5	2.4	100.0	-1,026	-8.2	0.0	100.0	-1.9	21.0
<b>Addendum</b>										
80-90	99.4	0.1	2.6	15.1	-2,107	-7.5	0.1	16.6	-2.0	24.2
90-95	99.2	0.0	3.0	10.8	-3,326	-7.9	0.0	11.2	-2.2	25.2
95-99	96.6	2.7	2.6	11.6	-4,753	-6.4	0.3	15.1	-1.8	26.7
Top 1 Percent	60.9	38.5	0.1	0.4	-853	-0.2	1.5	18.5	-0.1	33.0
Top 0.1 Percent	35.7	63.8	-0.3	-0.5	10,719	0.5	0.7	8.6	0.2	36.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	18,170	24.4	9,692	841	8,852	8.7	4.3	5.1	1.6	
Second Quintile	17,434	23.4	25,275	2,839	22,436	11.2	10.7	12.3	5.3	
Middle Quintile	16,166	21.7	42,521	7,105	35,416	16.7	16.7	18.0	12.3	
Fourth Quintile	12,222	16.4	71,316	16,267	55,049	22.8	21.2	21.2	21.2	
Top Quintile	10,236	13.7	190,185	54,525	135,661	28.7	47.4	43.8	59.5	
All	74,602	100.0	55,098	12,568	42,531	22.8	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	5,476	7.3	108,095	28,237	79,858	26.1	14.4	13.8	16.5	
90-95	2,495	3.4	153,613	42,000	111,614	27.3	9.3	8.8	11.2	
95-99	1,875	2.5	259,784	74,001	185,783	28.5	11.9	11.0	14.8	
Top 1 Percent	390	0.5	1,243,094	410,432	832,662	33.0	11.8	10.2	17.1	
Top 0.1 Percent	33	0.0	6,016,823	2,211,998	3,804,825	36.8	4.9	4.0	7.9	

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

(1) Calendar year. Baseline is current law. 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

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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.

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**Baseline: Current Law**  
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**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	70.8	0.0	7.3	3.2	-1,208	-177.1	-0.4	-0.2	-7.0	-3.1
Second Quintile	82.9	0.4	5.3	6.5	-1,951	-39.5	-0.6	1.2	-4.7	7.1
Middle Quintile	87.7	0.1	4.7	12.6	-2,913	-23.0	-0.8	4.9	-3.9	13.0
Fourth Quintile	98.0	0.0	4.9	28.0	-4,640	-17.7	-1.3	15.1	-3.8	17.7
Top Quintile	96.0	3.8	2.6	49.6	-6,456	-6.8	3.1	78.8	-1.9	25.6
All	90.3	1.3	3.4	100.0	-4,142	-10.4	0.0	100.0	-2.6	22.2
<b>Addendum</b>										
80-90	99.7	0.0	4.5	22.1	-5,975	-14.1	-0.7	15.7	-3.4	20.9
90-95	99.7	0.1	4.4	15.8	-7,933	-12.6	-0.3	12.8	-3.3	22.8
95-99	93.3	6.5	2.4	11.8	-7,407	-6.3	0.9	20.4	-1.8	26.0
Top 1 Percent	54.3	45.3	0.0	-0.1	128	0.0	3.1	30.0	0.0	30.7
Top 0.1 Percent	34.5	65.4	-0.3	-0.6	14,564	0.5	1.6	14.3	0.2	33.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	6,936	11.0	17,202	682	16,520	4.0	1.2	1.5	0.2
Second Quintile	8,740	13.9	41,929	4,941	36,988	11.8	3.6	4.3	1.7
Middle Quintile	11,323	17.9	75,146	12,666	62,480	16.9	8.4	9.3	5.7
Fourth Quintile	15,747	25.0	121,524	26,204	95,321	21.6	18.9	19.7	16.5
Top Quintile	20,084	31.8	343,073	94,435	248,638	27.5	68.1	65.6	75.8
All	63,115	100.0	160,242	39,668	120,575	24.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	9,653	15.3	174,032	42,323	131,709	24.3	16.6	16.7	16.3
90-95	5,200	8.2	242,991	63,218	179,773	26.0	12.5	12.3	13.1
95-99	4,167	6.6	420,786	116,913	303,873	27.8	17.3	16.6	19.5
Top 1 Percent	1,065	1.7	2,060,200	631,362	1,428,838	30.7	21.7	20.0	26.9
Top 0.1 Percent	108	0.2	8,857,999	2,930,866	5,927,133	33.1	9.5	8.5	12.7

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

(1) Calendar year. Baseline is current law. 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

(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% \$14,773, 40% \$27,320, 60% \$46,603, 80% \$77,307, 90% \$110,823, 95% \$156,440, 99% \$393,186, 99.9% \$1,766,491.

(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 T09-0154**  
**Administration's Fiscal Year 2010 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017 <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	88.6	0.0	7.2	21.1	-1,264	202.1	-6.7	-9.0	-7.5	-11.2
Second Quintile	93.6	0.1	5.5	28.6	-1,857	-42.0	-3.8	11.3	-4.9	6.7
Middle Quintile	96.9	0.0	4.7	24.9	-2,400	-20.2	0.7	28.1	-3.8	15.1
Fourth Quintile	99.5	0.0	3.9	16.6	-2,914	-13.0	3.4	31.7	-3.0	20.0
Top Quintile	96.1	3.0	2.3	8.9	-3,867	-6.3	6.5	37.9	-1.7	25.3
All	93.3	0.2	4.7	100.0	-1,980	-22.2	0.0	100.0	-3.9	13.5
<b>Addendum</b>										
80-90	99.2	0.0	3.5	5.6	-3,793	-10.3	1.9	13.9	-2.6	23.0
90-95	96.9	1.1	3.5	2.1	-5,046	-9.6	0.8	5.8	-2.5	24.0
95-99	90.6	9.2	1.6	1.4	-4,203	-4.6	1.5	8.2	-1.2	24.9
Top 1 Percent	52.1	47.8	-0.3	-0.2	3,340	0.7	2.3	10.1	0.2	31.0
Top 0.1 Percent	29.0	70.7	-0.6	-0.2	32,581	1.2	1.0	4.5	0.4	34.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	8,997	33.0	16,938	-626	17,564	-3.7	10.9	13.7	-2.3
Second Quintile	8,293	30.4	38,122	4,427	33,695	11.6	22.6	24.1	15.1
Middle Quintile	5,596	20.5	62,970	11,884	51,085	18.9	25.2	24.7	27.4
Fourth Quintile	3,071	11.3	97,453	22,399	75,054	23.0	21.4	19.9	28.3
Top Quintile	1,234	4.5	229,223	61,909	167,314	27.0	20.2	17.8	31.5
All	27,245	100.0	51,423	8,917	42,507	17.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	790	2.9	144,070	36,955	107,115	25.7	8.1	7.3	12.0
90-95	228	0.8	198,923	52,846	146,077	26.6	3.2	2.9	5.0
95-99	179	0.7	349,524	91,044	258,479	26.1	4.5	4.0	6.7
Top 1 Percent	38	0.1	1,630,909	502,876	1,128,033	30.8	4.4	3.7	7.8
Top 0.1 Percent	3	0.0	7,819,012	2,624,852	5,194,160	33.6	1.8	1.4	3.4

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

(1) Calendar year. Baseline is current law. 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

(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% \$14,773, 40% \$27,320, 60% \$46,603, 80% \$77,307, 90% \$110,823, 95% \$156,440, 99% \$393,186, 99.9% \$1,766,491.

(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 T09-0154**  
**Administration's Fiscal Year 2010 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017 <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	93.3	0.0	8.6	9.2	-1,633	194.0	-1.6	-2.2	-9.0	-13.6
Second Quintile	99.1	0.1	6.7	13.6	-2,521	-47.3	-1.5	2.4	-5.8	6.5
Middle Quintile	99.7	0.0	5.8	19.3	-3,603	-23.6	-1.3	10.0	-4.6	15.0
Fourth Quintile	99.9	0.0	5.8	29.4	-5,711	-18.3	-1.2	20.9	-4.4	19.5
Top Quintile	94.2	5.7	2.5	28.4	-6,968	-6.2	5.6	68.8	-1.8	27.5
All	97.3	0.9	4.4	100.0	-3,895	-13.7	0.0	100.0	-3.3	21.0
<b>Addendum</b>										
80-90	100.0	0.0	5.1	15.8	-7,480	-14.0	0.0	15.4	-3.7	22.8
90-95	99.5	0.4	4.7	9.7	-9,839	-12.4	0.2	10.9	-3.4	24.3
95-99	85.6	14.2	1.5	4.1	-5,249	-3.6	1.9	17.8	-1.0	28.1
Top 1 Percent	40.7	59.1	-0.4	-1.2	6,037	0.8	3.6	24.7	0.3	32.9
Top 0.1 Percent	23.2	76.7	-0.6	-0.7	39,954	1.1	1.6	11.1	0.4	34.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	11,193	21.9	18,214	-842	19,056	-4.6	3.4	4.7	-0.7	
Second Quintile	10,737	21.0	43,184	5,331	37,853	12.4	7.8	9.0	4.0	
Middle Quintile	10,680	20.9	77,756	15,275	62,482	19.6	13.9	14.8	11.2	
Fourth Quintile	10,270	20.1	130,556	31,199	99,357	23.9	22.5	22.6	22.1	
Top Quintile	8,108	15.9	387,106	113,227	273,880	29.3	52.7	49.2	63.3	
All	51,137	100.0	116,581	28,375	88,206	24.3	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	4,196	8.2	201,630	53,529	148,101	26.6	14.2	13.8	15.5	
90-95	1,954	3.8	287,071	79,644	207,427	27.7	9.4	9.0	10.7	
95-99	1,570	3.1	504,381	147,062	357,320	29.2	13.3	12.4	15.9	
Top 1 Percent	389	0.8	2,416,865	789,275	1,627,590	32.7	15.8	14.0	21.2	
Top 0.1 Percent	37	0.1	10,868,654	3,722,862	7,145,793	34.3	6.7	5.9	9.5	

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 current law. 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

(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

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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% \$14,773, 40% \$27,320, 60% \$46,603, 80% \$77,307, 90% \$110,823, 95% \$156,440, 99% \$393,186, 99.9% \$1,766,491.

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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 T09-0154**  
**Administration's Fiscal Year 2010 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017 <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	25.7	0.1	1.1	1.1	-136	-32.2	-0.1	0.2	-1.1	2.2
Second Quintile	34.3	0.1	1.0	4.3	-282	-23.5	-0.3	1.3	-1.0	3.3
Middle Quintile	45.5	0.1	1.0	5.1	-445	-18.3	-0.3	2.1	-0.9	4.1
Fourth Quintile	92.1	0.0	2.5	18.9	-2,007	-15.7	-0.8	9.6	-2.2	11.6
Top Quintile	96.8	2.4	2.5	70.6	-5,123	-7.2	1.4	86.6	-1.8	23.7
All	59.6	0.6	2.2	100.0	-1,730	-8.7	0.0	100.0	-1.7	18.2
<b>Addendum</b>										
80-90	99.0	0.1	3.3	23.9	-3,663	-13.7	-0.8	14.3	-2.7	16.9
90-95	99.2	0.0	3.8	20.0	-5,745	-13.0	-0.6	12.7	-2.9	19.7
95-99	96.5	2.9	3.0	22.4	-7,366	-8.5	0.0	22.7	-2.2	23.7
Top 1 Percent	66.9	32.1	0.5	4.4	-5,861	-1.1	2.8	36.9	-0.3	30.7
Top 0.1 Percent	43.2	56.6	0.1	0.5	-5,875	-0.2	1.6	18.6	-0.1	33.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2017 <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	4,826	13.8	12,888	420	12,468	3.3	1.8	2.1	0.3
Second Quintile	9,249	26.4	28,263	1,200	27,064	4.2	7.4	8.9	1.6
Middle Quintile	6,865	19.6	48,336	2,436	45,899	5.0	9.4	11.2	2.4
Fourth Quintile	5,715	16.3	92,765	12,760	80,005	13.8	15.1	16.2	10.4
Top Quintile	8,350	23.8	279,556	71,439	208,117	25.6	66.4	61.7	85.3
All	35,022	100.0	100,433	19,979	80,454	19.9	100.0	100.0	100.0
<b>Addendum</b>									
80-90	3,952	11.3	136,879	26,786	110,093	19.6	15.4	15.4	15.1
90-95	2,110	6.0	196,182	44,304	151,879	22.6	11.8	11.4	13.4
95-99	1,839	5.3	332,548	86,316	246,232	26.0	17.4	16.1	22.7
Top 1 Percent	449	1.3	1,709,460	530,832	1,178,628	31.1	21.8	18.8	34.1
Top 0.1 Percent	47	0.1	7,438,693	2,511,734	4,926,960	33.8	10.0	8.3	17.0

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 current law. 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

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