

Table T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017 ¹
Summary Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	65.3	0.0	5.9	654.4	-323	-5.5	0.6
10-20	62.2	0.2	3.2	1,588.7	-514	-3.1	1.4
20-30	67.5	0.3	2.1	1,526.8	-538	-1.9	6.0
30-40	77.0	0.2	1.7	1,280.6	-582	-1.5	10.6
40-50	81.5	0.1	1.4	1,009.0	-606	-1.2	13.7
50-75	86.3	0.1	1.2	2,002.9	-677	-1.0	16.7
75-100	87.9	0.1	0.9	1,324.7	-686	-0.7	18.6
100-200	75.9	0.3	0.6	2,246.8	-705	-0.5	21.3
200-500	30.5	26.8	-0.3	-700.2	682	0.2	24.4
500-1,000	8.6	84.6	-2.6	-2,319.7	14,515	1.9	27.0
More than 1,000	4.9	90.5	-4.3	-8,543.5	100,806	3.1	30.9
All	71.7	2.4	0.0	100.0	-5	0.0	20.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

Number of AMT Taxpayers (millions). Baseline: 6.8 Proposal: 5.5

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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) 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 T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	65.3	0.0	5.9	654.4	-323	-89.9	-0.2	0.0	-5.5	0.6
10-20	62.2	0.2	3.2	1,588.7	-514	-69.0	-0.4	0.2	-3.1	1.4
20-30	67.5	0.3	2.1	1,526.8	-538	-24.5	-0.4	1.2	-1.9	6.0
30-40	77.0	0.2	1.7	1,280.6	-582	-12.4	-0.3	2.3	-1.5	10.6
40-50	81.5	0.1	1.4	1,009.0	-606	-8.1	-0.3	2.9	-1.2	13.7
50-75	86.3	0.1	1.2	2,002.9	-677	-5.6	-0.5	8.6	-1.0	16.7
75-100	87.9	0.1	0.9	1,324.7	-686	-3.7	-0.3	8.8	-0.7	18.6
100-200	75.9	0.3	0.6	2,246.8	-705	-2.1	-0.6	26.2	-0.5	21.3
200-500	30.5	26.8	-0.3	-700.2	682	0.9	0.2	19.9	0.2	24.4
500-1,000	8.6	84.6	-2.6	-2,319.7	14,515	7.6	0.6	8.3	1.9	27.0
More than 1,000	4.9	90.5	-4.3	-8,543.5	100,806	11.2	2.2	21.4	3.1	30.9
All	71.7	2.4	0.0	100.0	-5	0.0	0.0	100.0	0.0	20.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	16,000	9.5	5,837	360	5,477	6.2	0.6	0.7	0.2
10-20	24,432	14.5	16,754	745	16,009	4.5	2.7	3.3	0.6
20-30	22,456	13.4	27,751	2,196	25,555	7.9	4.2	4.8	1.6
30-40	17,395	10.4	38,878	4,687	34,191	12.1	4.5	5.0	2.6
40-50	13,160	7.8	50,046	7,463	42,583	14.9	4.4	4.7	3.2
50-75	23,374	13.9	68,766	12,135	56,631	17.7	10.7	11.1	9.1
75-100	15,256	9.1	96,850	18,733	78,117	19.3	9.8	10.0	9.2
100-200	25,181	15.0	152,523	33,147	119,377	21.7	25.6	25.3	26.8
200-500	8,112	4.8	314,635	75,945	238,691	24.1	17.0	16.3	19.8
500-1,000	1,263	0.8	759,050	190,240	568,810	25.1	6.4	6.0	7.7
More than 1,000	670	0.4	3,231,782	896,636	2,335,146	27.7	14.4	13.1	19.3
All	168,027	100.0	89,404	18,557	70,847	20.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

Number of AMT Taxpayers (millions). Baseline: 6.8

Proposal: 5.5

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) 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

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(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.

Table T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	65.1	0.0	5.3	22.4	-281	-54.1	-0.4	0.4	-4.8	4.1
10-20	54.4	0.3	2.0	33.3	-311	-24.4	-0.6	1.9	-1.9	5.8
20-30	58.5	0.1	1.4	30.1	-336	-11.2	-0.5	4.4	-1.2	9.7
30-40	73.0	0.0	1.3	25.0	-415	-7.1	-0.3	6.1	-1.1	14.1
40-50	80.8	0.0	1.1	18.0	-428	-4.7	-0.2	6.8	-0.9	17.5
50-75	85.8	0.0	0.9	32.3	-474	-3.2	-0.3	18.0	-0.7	21.0
75-100	82.0	0.0	0.5	13.1	-394	-1.8	0.0	13.5	-0.4	23.0
100-200	25.2	0.0	0.1	3.6	-115	-0.3	0.3	20.9	-0.1	24.1
200-500	12.7	41.3	-0.5	-8.0	1,084	1.4	0.3	10.9	0.3	25.1
500-1,000	8.8	79.2	-2.2	-14.3	11,907	6.2	0.3	4.6	1.6	27.6
More than 1,000	1.6	87.3	-4.0	-55.8	86,604	9.1	1.2	12.4	2.8	33.2
All	64.2	1.0	0.5	100.0	-191	-1.8	0.0	100.0	-0.4	20.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	11,563	15.3	5,853	519	5,334	8.9	1.7	2.0	0.8
10-20	15,502	20.5	16,653	1,278	15,374	7.7	6.6	7.7	2.5
20-30	12,950	17.1	27,626	3,009	24,618	10.9	9.2	10.3	4.9
30-40	8,694	11.5	38,753	5,886	32,867	15.2	8.7	9.2	6.4
40-50	6,099	8.1	50,008	9,159	40,849	18.3	7.8	8.1	7.0
50-75	9,865	13.0	68,138	14,790	53,348	21.7	17.3	17.0	18.3
75-100	4,817	6.4	95,751	22,365	73,387	23.4	11.9	11.4	13.5
100-200	4,580	6.0	148,129	35,876	112,253	24.2	17.4	16.6	20.6
200-500	1,072	1.4	317,350	78,483	238,867	24.7	8.8	8.3	10.5
500-1,000	174	0.2	744,198	193,554	550,644	26.0	3.3	3.1	4.2
More than 1,000	93	0.1	3,141,841	955,184	2,186,657	30.4	7.5	6.6	11.2
All	75,772	100.0	51,323	10,527	40,797	20.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

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(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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

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(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.

Table T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	48.1	0.0	5.9	-1.9	-270	-89.1	0.0	0.0	-5.5	0.7
10-20	64.6	0.0	4.6	-8.7	-760	-130.8	-0.1	0.0	-4.4	-1.0
20-30	68.5	0.1	3.2	-13.4	-862	-63.5	-0.2	0.1	-3.1	1.8
30-40	67.2	0.7	2.3	-12.2	-844	-28.4	-0.2	0.4	-2.2	5.4
40-50	70.8	0.2	1.9	-11.7	-871	-17.9	-0.2	0.7	-1.7	8.0
50-75	81.6	0.1	1.5	-27.7	-921	-10.0	-0.4	3.5	-1.3	11.9
75-100	89.8	0.2	1.1	-25.2	-879	-5.4	-0.4	6.2	-0.9	15.9
100-200	91.6	0.1	0.7	-58.5	-894	-2.8	-1.2	28.6	-0.6	20.5
200-500	34.0	23.5	-0.2	13.6	583	0.8	-0.2	24.6	0.2	24.2
500-1,000	8.7	85.2	-2.6	53.7	14,904	7.8	0.6	10.2	2.0	26.9
More than 1,000	5.7	90.8	-4.4	192.5	101,303	11.6	2.3	25.6	3.2	30.4
All	74.0	4.9	-0.4	100.0	463	1.4	0.0	100.0	0.3	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income	Post-Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	2,074	3.3	4,875	303	4,572	6.2	0.1	0.1	0.0
10-20	3,301	5.3	17,259	581	16,679	3.4	0.6	0.7	0.1
20-30	4,500	7.2	28,008	1,357	26,650	4.9	1.3	1.6	0.3
30-40	4,187	6.7	39,068	2,967	36,101	7.6	1.7	2.0	0.6
40-50	3,878	6.2	50,194	4,869	45,325	9.7	2.0	2.3	0.9
50-75	8,722	13.9	69,670	9,219	60,451	13.2	6.4	7.0	3.9
75-100	8,317	13.3	97,674	16,379	81,295	16.8	8.5	9.0	6.6
100-200	18,981	30.3	154,413	32,487	121,926	21.0	30.7	30.9	29.8
200-500	6,785	10.8	313,960	75,454	238,506	24.0	22.3	21.6	24.8
500-1,000	1,044	1.7	761,886	190,129	571,757	25.0	8.3	8.0	9.6
More than 1,000	551	0.9	3,195,340	871,481	2,323,859	27.3	18.4	17.1	23.2
All	62,623	100.0	152,719	33,000	119,718	21.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

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(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) maintain the estate tax at its 2009 parameters.

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Table T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	81.0	0.0	8.4	7.8	-596	139.0	-0.8	-1.3	-9.0	-15.4
10-20	82.4	0.0	5.4	29.9	-951	125.0	-3.1	-5.1	-5.7	-10.2
20-30	89.5	1.1	2.9	21.7	-785	-128.6	-1.9	-0.5	-2.8	-0.6
30-40	93.7	0.2	1.9	16.7	-674	-17.8	-0.8	7.4	-1.7	8.0
40-50	96.0	0.1	1.5	10.8	-650	-9.2	-0.1	10.1	-1.3	12.8
50-75	96.0	0.1	1.2	16.9	-681	-5.9	0.8	26.0	-1.0	16.1
75-100	94.7	0.0	0.8	6.8	-642	-3.3	1.0	18.8	-0.7	19.4
100-200	35.1	0.0	0.2	1.6	-200	-0.6	2.0	24.9	-0.1	22.8
200-500	11.5	43.3	-0.5	-1.4	1,184	1.5	0.9	8.6	0.4	24.5
500-1,000	8.0	89.6	-2.6	-2.8	14,681	8.5	0.5	3.4	2.0	25.1
More than 1,000	0.6	96.9	-4.6	-8.3	101,776	11.5	1.4	7.7	3.3	31.7
All	86.5	0.7	1.5	100.0	-629	-8.7	0.0	100.0	-1.3	13.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,245	8.3	6,658	-429	7,087	-6.4	1.1	1.4	-0.5
10-20	5,382	19.8	16,742	-761	17,503	-4.5	6.8	8.3	-2.1
20-30	4,732	17.4	27,809	611	27,198	2.2	9.9	11.3	1.5
30-40	4,249	15.6	38,937	3,779	35,158	9.7	12.4	13.2	8.2
40-50	2,835	10.4	49,870	7,038	42,832	14.1	10.6	10.7	10.2
50-75	4,249	15.6	68,240	11,635	56,605	17.1	21.8	21.2	25.2
75-100	1,813	6.7	95,879	19,218	76,660	20.0	13.1	12.2	17.8
100-200	1,372	5.1	142,970	32,754	110,216	22.9	14.7	13.3	22.9
200-500	197	0.7	318,955	76,962	241,993	24.1	4.7	4.2	7.7
500-1,000	33	0.1	750,220	173,442	576,778	23.1	1.8	1.7	2.9
More than 1,000	14	0.1	3,120,554	887,220	2,233,333	28.4	3.3	2.7	6.3
All	27,175	100.0	49,021	7,225	41,797	14.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) 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/TaxModelIncome.cfm>

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

(4) 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) 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 T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	80.7	0.0	9.0	35.3	-634	93.5	-0.1	-0.3	-10.0	-20.6
10-20	95.3	0.0	6.8	143.3	-1,249	84.9	-0.6	-1.2	-7.4	-16.1
20-30	96.7	0.6	4.0	131.3	-1,102	4,177.9	-0.5	-0.5	-4.0	-4.1
30-40	98.3	0.1	2.8	106.2	-985	-30.3	-0.4	0.9	-2.5	5.8
40-50	98.6	0.0	2.3	81.6	-987	-15.3	-0.3	1.8	-2.0	11.0
50-75	98.7	0.1	1.7	158.3	-985	-9.0	-0.6	6.1	-1.4	14.4
75-100	98.1	0.3	1.2	114.3	-950	-5.4	-0.4	7.7	-1.0	17.1
100-200	92.4	0.2	0.8	233.5	-984	-3.0	-0.8	29.4	-0.6	20.9
200-500	34.2	24.0	-0.3	-52.1	648	0.8	0.3	24.3	0.2	25.0
500-1,000	4.5	92.7	-3.3	-209.9	18,194	9.0	0.8	9.8	2.4	29.0
More than 1,000	1.7	96.6	-5.2	-644.3	117,400	12.8	2.6	21.9	3.7	32.5
All	89.5	3.4	0.1	100.0	-91	-0.4	0.0	100.0	-0.1	20.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income	Post-Tax Income	Federal Taxes
Less than 10	2,575	5.1	6,368	-678	7,046	-10.7	0.3	0.4	-0.1
10-20	5,305	10.4	16,859	-1,472	18,331	-8.7	1.6	2.1	-0.7
20-30	5,512	10.8	27,793	-26	27,819	-0.1	2.7	3.4	0.0
30-40	4,988	9.8	38,974	3,250	35,724	8.3	3.4	3.9	1.4
40-50	3,825	7.5	50,034	6,467	43,567	12.9	3.3	3.7	2.1
50-75	7,434	14.6	69,037	10,891	58,145	15.8	8.9	9.5	6.7
75-100	5,566	11.0	97,327	17,621	79,706	18.1	9.4	9.8	8.1
100-200	10,981	21.6	153,420	33,105	120,315	21.6	29.3	29.1	30.2
200-500	3,723	7.3	312,848	77,624	235,224	24.8	20.3	19.3	24.0
500-1,000	534	1.1	758,319	201,717	556,601	26.6	7.0	6.5	8.9
More than 1,000	254	0.5	3,186,906	916,933	2,269,973	28.8	14.1	12.7	19.3
All	50,838	100.0	113,062	23,692	89,369	21.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

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

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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) 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 T09-0292
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	15.4	0.0	0.8	-0.8	-48	-24.6	0.0	0.1	-0.8	2.4
10-20	12.5	0.0	0.4	-3.6	-63	-18.0	-0.1	0.4	-0.4	1.7
20-30	17.5	0.0	0.3	-4.9	-87	-10.1	-0.1	1.0	-0.3	2.8
30-40	25.4	0.1	0.4	-4.6	-132	-7.0	-0.1	1.4	-0.3	4.6
40-50	26.4	0.0	0.3	-3.2	-145	-5.2	-0.1	1.3	-0.3	5.3
50-75	35.0	0.1	0.3	-7.3	-212	-3.5	-0.3	4.6	-0.3	8.4
75-100	47.2	0.0	0.4	-7.7	-316	-2.5	-0.3	6.8	-0.3	12.6
100-200	43.0	0.2	0.2	-10.4	-290	-1.1	-0.7	20.7	-0.2	16.6
200-500	19.6	28.6	-0.2	7.2	566	0.8	-0.3	19.8	0.2	21.2
500-1,000	10.8	75.1	-1.3	18.8	7,749	4.4	0.2	10.3	1.0	24.2
More than 1,000	4.5	88.6	-3.3	116.6	78,450	8.6	2.0	33.6	2.4	30.0
All	25.5	2.3	-0.5	100.0	334	2.3	0.0	100.0	0.4	16.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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							
Less than 10	2,070	5.9	6,166	195	5,971	3.2	0.4	0.5	0.1
10-20	6,680	19.0	17,135	351	16,785	2.1	3.7	4.4	0.5
20-30	6,674	19.0	27,542	866	26,676	3.1	6.0	6.9	1.2
30-40	4,077	11.6	38,630	1,890	36,741	4.9	5.1	5.8	1.5
40-50	2,564	7.3	49,862	2,795	47,067	5.6	4.2	4.7	1.4
50-75	4,073	11.6	69,426	6,059	63,367	8.7	9.2	10.1	4.9
75-100	2,877	8.2	96,871	12,502	84,370	12.9	9.1	9.5	7.2
100-200	4,202	11.9	152,477	25,557	126,920	16.8	20.9	20.8	21.4
200-500	1,489	4.2	322,237	67,668	254,569	21.0	15.6	14.8	20.1
500-1,000	285	0.8	765,472	177,479	587,993	23.2	7.1	6.5	10.1
More than 1,000	175	0.5	3,283,902	907,740	2,376,162	27.6	18.7	16.2	31.6
All	35,193	100.0	87,173	14,262	72,912	16.4	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

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

(1) Calendar year. Administration baseline extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. 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) reinstate the 39.6 percent bracket; (h) 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;

(i) 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; (j) 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; (k) limit value of itemized deduction to 28 percent; (l) maintain the estate tax at its 2009 parameters.

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