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Table T09-0293
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 2017¹
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	65.9	0.1	3.6	2,362.8	-459	-3.4	1.4
Second Quintile	72.2	0.3	1.9	2,674.1	-560	-1.7	8.6
Middle Quintile	84.4	0.1	1.3	2,778.5	-648	-1.1	15.6
Fourth Quintile	83.4	0.1	0.8	2,450.0	-681	-0.6	19.1
Top Quintile	55.6	15.8	-1.3	-10,206.0	3,268	1.0	25.7
All	71.7	2.4	0.0	100.0	-5	0.0	20.8
Addendum							
80-90	75.4	0.3	0.6	1,217.6	-774	-0.5	21.8
90-95	57.5	1.9	0.2	250.7	-327	-0.1	23.1
95-99	15.6	53.6	-0.9	-1,636.3	2,626	0.6	25.4
Top 1 Percent	6.9	87.4	-4.1	-10,037.9	63,110	3.0	30.1
Top 0.1 Percent	1.8	96.5	-4.6	-5,032.4	310,106	3.3	32.4

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) 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% \$20,846, 40% \$39,988, 60% \$71,590, 80% \$124,539, 90% \$180,564, 95% \$252,295, 99% \$660,987, 99.9% \$3,049,618.

(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
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 2017¹
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	65.9	0.1	3.6	2,362.8	-459	-70.3	-0.6	0.3	-3.4	1.4
Second Quintile	72.2	0.3	1.9	2,674.1	-560	-16.5	-0.7	3.4	-1.7	8.6
Middle Quintile	84.4	0.1	1.3	2,778.5	-648	-6.4	-0.7	10.3	-1.1	15.6
Fourth Quintile	83.4	0.1	0.8	2,450.0	-681	-3.3	-0.6	18.5	-0.6	19.1
Top Quintile	55.6	15.8	-1.3	-10,206.0	3,268	4.0	2.6	67.5	1.0	25.7
All	71.7	2.4	0.0	100.0	-5	0.0	0.0	100.0	0.0	20.8
Addendum										
80-90	75.4	0.3	0.6	1,217.6	-774	-2.1	-0.3	14.4	-0.5	21.8
90-95	57.5	1.9	0.2	250.7	-327	-0.6	-0.1	10.6	-0.1	23.1
95-99	15.6	53.6	-0.9	-1,636.3	2,626	2.6	0.4	16.5	0.6	25.4
Top 1 Percent	6.9	87.4	-4.1	-10,037.9	63,110	10.9	2.6	26.0	3.0	30.1
Top 0.1 Percent	1.8	96.5	-4.6	-5,032.4	310,106	11.2	1.3	12.6	3.3	32.4

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

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	40,705	24.2	13,512	652	12,860	4.8	3.7	4.4	0.9
Second Quintile	37,758	22.5	33,137	3,392	29,745	10.2	8.3	9.4	4.1
Middle Quintile	33,915	20.2	60,464	10,066	50,397	16.7	13.7	14.4	11.0
Fourth Quintile	28,437	16.9	105,717	20,910	84,807	19.8	20.0	20.3	19.1
Top Quintile	24,688	14.7	332,349	81,969	250,379	24.7	54.6	51.9	64.9
All	168,027	100.0	89,404	18,557	70,847	20.8	100.0	100.0	100.0
Addendum									
80-90	12,437	7.4	165,657	36,890	128,767	22.3	13.7	13.5	14.7
90-95	6,069	3.6	235,719	54,659	181,060	23.2	9.5	9.2	10.6
95-99	4,926	2.9	410,513	101,811	308,702	24.8	13.5	12.8	16.1
Top 1 Percent	1,257	0.8	2,141,178	581,907	1,559,271	27.2	17.9	16.5	23.5
Top 0.1 Percent	128	0.1	9,468,938	2,761,703	6,707,235	29.2	8.1	7.2	11.4

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.

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Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	72.4	0.0	4.8	2,519.2	-595	-237.8	-0.6	-0.4	-4.7	-2.7
Second Quintile	67.9	0.4	1.9	2,350.7	-530	-19.6	-0.6	2.4	-1.8	7.2
Middle Quintile	78.9	0.2	1.3	2,558.7	-599	-7.6	-0.7	7.9	-1.1	13.7
Fourth Quintile	87.6	0.1	0.9	2,767.5	-693	-3.9	-0.7	17.6	-0.8	18.8
Top Quintile	56.4	12.3	-1.2	-10,136.6	2,530	3.7	2.6	72.4	0.9	25.5
All	71.7	2.4	0.0	100.0	-5	0.0	0.0	100.0	0.0	20.8
Addendum										
80-90	80.5	0.0	0.6	1,218.1	-605	-1.9	-0.3	15.7	-0.4	21.9
90-95	48.8	1.7	0.2	294.2	-292	-0.6	-0.1	11.9	-0.2	23.3
95-99	16.5	39.3	-0.8	-1,618.0	2,034	2.4	0.4	17.8	0.6	25.2
Top 1 Percent	8.1	84.0	-3.8	-10,030.9	52,157	10.4	2.6	27.0	2.8	29.7
Top 0.1 Percent	1.6	95.8	-4.5	-5,168.0	270,061	11.1	1.3	13.2	3.2	32.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	33,450	19.9	12,732	250	12,482	2.0	2.8	3.5	0.3
Second Quintile	35,074	20.9	30,173	2,699	27,475	8.9	7.0	8.1	3.0
Middle Quintile	33,747	20.1	53,321	7,881	45,440	14.8	12.0	12.9	8.5
Fourth Quintile	31,556	18.8	92,353	18,026	74,328	19.5	19.4	19.7	18.2
Top Quintile	31,677	18.9	279,871	68,711	211,161	24.6	59.0	56.2	69.8
All	168,027	100.0	89,404	18,557	70,847	20.8	100.0	100.0	100.0
Addendum									
80-90	15,914	9.5	140,958	31,426	109,532	22.3	14.9	14.6	16.0
90-95	7,953	4.7	200,752	47,059	153,694	23.4	10.6	10.3	12.0
95-99	6,289	3.7	349,936	86,069	263,867	24.6	14.7	13.9	17.4
Top 1 Percent	1,520	0.9	1,857,869	500,412	1,357,456	26.9	18.8	17.3	24.4
Top 0.1 Percent	151	0.1	8,388,125	2,439,842	5,948,283	29.1	8.5	7.6	11.8

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.

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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% \$14,392, 40% \$26,987, 60% \$45,911, 80% \$76,270, 90% \$109,860, 95% \$155,381, 99% \$400,442, 99.9% \$1,863,666.

(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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Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	66.8	0.0	3.7	41.6	-335	-46.5	-0.7	0.9	-3.4	3.9
Second Quintile	54.4	0.3	1.4	36.9	-301	-13.4	-0.6	4.4	-1.3	8.4
Middle Quintile	72.6	0.0	1.2	43.9	-402	-6.4	-0.6	11.8	-1.0	14.7
Fourth Quintile	84.8	0.0	0.9	39.6	-463	-3.3	-0.3	21.7	-0.7	20.7
Top Quintile	47.4	6.5	-0.7	-62.9	888	1.9	2.3	61.1	0.5	25.7
All	64.2	1.0	0.5	100.0	-191	-1.8	0.0	100.0	-0.4	20.1
Addendum										
80-90	74.9	0.0	0.4	12.8	-339	-1.4	0.1	16.4	-0.3	23.3
90-95	20.5	0.0	0.1	1.8	-105	-0.3	0.2	11.3	-0.1	24.3
95-99	12.7	18.7	-0.2	-3.8	288	0.5	0.3	14.4	0.1	24.3
Top 1 Percent	6.4	79.7	-3.1	-73.7	27,640	7.7	1.7	19.0	2.2	30.9
Top 0.1 Percent	0.5	94.7	-4.4	-42.2	180,725	9.3	0.9	9.2	3.0	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	17,946	23.7	9,849	721	9,128	7.3	4.5	5.3	1.6
Second Quintile	17,740	23.4	23,350	2,256	21,094	9.7	10.7	12.1	5.0
Middle Quintile	15,791	20.8	39,855	6,250	33,605	15.7	16.2	17.2	12.4
Fourth Quintile	12,368	16.3	66,353	14,217	52,136	21.4	21.1	20.9	22.0
Top Quintile	10,255	13.5	181,320	45,760	135,560	25.2	47.8	45.0	58.8
All	75,772	100.0	51,323	10,527	40,797	20.5	100.0	100.0	100.0
Addendum									
80-90	5,447	7.2	101,176	23,957	77,219	23.7	14.2	13.6	16.4
90-95	2,527	3.3	143,504	34,984	108,520	24.4	9.3	8.9	11.1
95-99	1,895	2.5	245,016	59,284	185,732	24.2	11.9	11.4	14.1
Top 1 Percent	386	0.5	1,246,622	357,437	889,186	28.7	12.4	11.1	17.3
Top 0.1 Percent	34	0.0	6,069,456	1,952,452	4,117,004	32.2	5.3	4.5	8.3

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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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	70.1	0.0	5.3	-19.5	-872	-247.2	-0.3	-0.2	-5.2	-3.1
Second Quintile	71.5	0.2	2.5	-26.3	-872	-25.9	-0.4	1.0	-2.2	6.4
Middle Quintile	79.1	0.4	1.4	-34.4	-854	-9.1	-0.6	4.7	-1.2	12.3
Fourth Quintile	89.5	0.2	1.0	-48.6	-916	-4.4	-0.9	14.8	-0.8	17.6
Top Quintile	63.1	15.3	-1.3	229.4	3,394	4.2	2.1	79.5	1.0	25.3
All	74.0	4.9	-0.4	100.0	463	1.4	0.0	100.0	0.3	21.9
Addendum										
80-90	87.9	0.1	0.6	-26.0	-808	-2.3	-0.6	15.7	-0.5	21.2
90-95	64.8	2.2	0.2	-7.0	-402	-0.8	-0.3	12.8	-0.2	22.9
95-99	18.6	47.8	-0.9	40.3	2,834	2.9	0.3	20.1	0.7	25.5
Top 1 Percent	9.2	85.0	-4.0	222.2	60,334	11.0	2.7	31.0	2.9	29.5
Top 0.1 Percent	2.0	96.1	-4.6	110.3	294,112	11.5	1.3	14.9	3.3	31.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	6,484	10.4	16,852	353	16,499	2.1	1.1	1.4	0.1
Second Quintile	8,750	14.0	38,883	3,364	35,520	8.7	3.6	4.2	1.4
Middle Quintile	11,696	18.7	69,198	9,335	59,864	13.5	8.5	9.3	5.3
Fourth Quintile	15,376	24.6	114,228	21,047	93,180	18.4	18.4	19.1	15.7
Top Quintile	19,603	31.3	335,346	81,593	253,753	24.3	68.7	66.4	77.4
All	62,623	100.0	152,719	33,000	119,718	21.6	100.0	100.0	100.0
Addendum									
80-90	9,331	14.9	165,784	35,975	129,809	21.7	16.2	16.2	16.2
90-95	5,082	8.1	230,762	53,335	177,427	23.1	12.3	12.0	13.1
95-99	4,122	6.6	400,541	99,088	301,453	24.7	17.3	16.6	19.8
Top 1 Percent	1,068	1.7	2,063,034	547,143	1,515,891	26.5	23.0	21.6	28.3
Top 0.1 Percent	109	0.2	9,022,743	2,567,620	6,455,122	28.5	10.3	9.4	13.5

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/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% \$14,392, 40% \$26,987, 60% \$45,911, 80% \$76,270, 90% \$109,860, 95% \$155,381, 99% \$400,442, 99.9% \$1,863,666.

(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 T09-0293
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	85.3	0.0	5.7	47.7	-930	113.8	-4.9	-8.6	-5.9	-11.2
Second Quintile	91.8	0.7	2.0	31.8	-662	-23.1	-1.9	10.1	-1.9	6.2
Middle Quintile	94.6	0.0	1.3	21.2	-642	-6.9	0.5	27.3	-1.1	14.8
Fourth Quintile	88.2	0.0	0.8	10.5	-572	-3.1	1.8	31.5	-0.6	19.7
Top Quintile	29.3	9.7	-0.9	-11.2	1,453	2.8	4.4	39.6	0.7	24.9
All	86.5	0.7	1.5	100.0	-629	-8.7	0.0	100.0	-1.3	13.5
Addendum										
80-90	37.7	0.0	0.2	1.1	-212	-0.7	1.2	14.7	-0.2	23.1
90-95	19.3	3.5	0.1	0.2	-135	-0.3	0.5	6.2	-0.1	23.9
95-99	10.3	44.4	-0.8	-2.2	2,000	2.6	0.9	8.4	0.6	24.2
Top 1 Percent	0.8	93.0	-3.9	-10.3	45,032	10.5	1.8	10.3	2.8	29.8
Top 0.1 Percent	0.8	97.8	-4.6	-4.8	258,289	11.1	0.8	4.5	3.3	32.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	8,770	32.3	15,647	-817	16,464	-5.2	10.3	12.7	-3.7
Second Quintile	8,213	30.2	35,755	2,865	32,890	8.0	22.0	23.8	12.0
Middle Quintile	5,633	20.7	58,874	9,334	49,540	15.9	24.9	24.6	26.8
Fourth Quintile	3,130	11.5	91,665	18,618	73,046	20.3	21.5	20.1	29.7
Top Quintile	1,317	4.9	216,103	52,379	163,724	24.2	21.4	19.0	35.1
All	27,175	100.0	49,021	7,225	41,797	14.7	100.0	100.0	100.0
Addendum									
80-90	845	3.1	135,186	31,447	103,739	23.3	8.6	7.7	13.5
90-95	247	0.9	188,332	45,045	143,287	23.9	3.5	3.1	5.7
95-99	187	0.7	332,770	78,368	254,403	23.6	4.7	4.2	7.5
Top 1 Percent	39	0.1	1,587,850	428,331	1,159,520	27.0	4.6	4.0	8.5
Top 0.1 Percent	3	0.0	7,937,589	2,320,534	5,617,056	29.2	1.9	1.6	3.7

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

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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% \$14,392, 40% \$26,987, 60% \$45,911, 80% \$76,270, 90% \$109,860, 95% \$155,381, 99% \$400,442, 99.9% \$1,863,666.

(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 T09-0293
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	93.8	0.0	6.6	272.2	-1,207	101.8	-1.1	-2.1	-7.0	-13.9
Second Quintile	97.8	0.4	2.6	222.8	-975	-29.3	-0.9	2.1	-2.4	5.8
Middle Quintile	98.6	0.2	1.5	211.3	-932	-8.1	-0.8	9.3	-1.3	14.7
Fourth Quintile	96.8	0.2	1.0	222.7	-987	-4.0	-0.8	20.7	-0.8	19.4
Top Quintile	55.9	19.1	-1.7	-831.5	4,478	4.8	3.5	69.9	1.2	26.9
All	89.5	3.4	0.1	100.0	-91	-0.4	0.0	100.0	-0.1	20.9
Addendum										
80-90	83.5	0.1	0.6	78.7	-802	-1.8	-0.2	16.3	-0.4	22.8
90-95	40.4	5.8	0.1	8.8	-199	-0.3	0.0	11.2	-0.1	24.2
95-99	10.5	71.7	-1.6	-198.7	5,712	4.6	0.8	17.6	1.2	27.4
Top 1 Percent	3.8	94.1	-5.0	-720.4	86,462	12.6	2.9	24.8	3.6	31.9
Top 0.1 Percent	0.5	98.7	-5.1	-315.1	399,875	12.1	1.3	11.2	3.6	33.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	10,432	20.5	17,171	-1,185	18,356	-6.9	3.1	4.2	-1.0
Second Quintile	10,570	20.8	40,353	3,327	37,026	8.2	7.4	8.6	2.9
Middle Quintile	10,488	20.6	72,386	11,570	60,816	16.0	13.2	14.0	10.1
Fourth Quintile	10,438	20.5	122,710	24,742	97,968	20.2	22.3	22.5	21.4
Top Quintile	8,587	16.9	362,965	93,249	269,716	25.7	54.2	51.0	66.5
All	50,838	100.0	113,062	23,692	89,369	21.0	100.0	100.0	100.0
Addendum									
80-90	4,538	8.9	189,201	43,944	145,257	23.2	14.9	14.5	16.6
90-95	2,056	4.0	270,179	65,613	204,566	24.3	9.7	9.3	11.2
95-99	1,608	3.2	478,067	125,401	352,665	26.2	13.4	12.5	16.8
Top 1 Percent	385	0.8	2,423,697	687,065	1,736,632	28.4	16.3	14.7	22.0
Top 0.1 Percent	36	0.1	11,187,796	3,299,759	7,888,037	29.5	7.1	6.3	10.0

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 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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(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% \$14,392, 40% \$26,987, 60% \$45,911, 80% \$76,270, 90% \$109,860, 95% \$155,381, 99% \$400,442, 99.9% \$1,863,666.

(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 T09-0293
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Administration Baseline
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	16.1	0.0	0.7	-4.0	-85	-31.1	-0.1	0.2	-0.7	1.5
Second Quintile	16.9	0.0	0.4	-7.6	-89	-10.8	-0.2	1.4	-0.3	2.8
Middle Quintile	26.1	0.0	0.3	-9.1	-143	-6.3	-0.3	3.1	-0.3	4.6
Fourth Quintile	43.9	0.1	0.4	-13.0	-283	-3.0	-0.5	9.7	-0.3	10.9
Top Quintile	31.4	12.3	-1.0	133.8	2,419	3.7	1.1	85.5	0.8	22.7
All	25.5	2.3	-0.5	100.0	334	2.3	0.0	100.0	0.4	16.7
Addendum										
80-90	43.5	0.0	0.3	-6.7	-269	-1.3	-0.4	11.4	-0.2	15.6
90-95	32.1	0.2	0.1	-2.4	-176	-0.5	-0.3	10.4	-0.1	18.3
95-99	14.6	29.0	-0.3	8.7	671	1.0	-0.3	20.1	0.2	21.3
Top 1 Percent	7.3	78.9	-2.8	134.1	34,995	7.6	2.1	43.5	2.0	28.6
Top 0.1 Percent	1.0	95.7	-3.8	83.4	199,954	9.2	1.4	22.7	2.7	32.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	5,486	15.6	12,851	275	12,576	2.1	2.3	2.7	0.3
Second Quintile	9,944	28.3	26,105	831	25,274	3.2	8.5	9.8	1.7
Middle Quintile	7,536	21.4	46,194	2,284	43,910	4.9	11.4	12.9	3.4
Fourth Quintile	5,425	15.4	84,549	9,460	75,088	11.2	15.0	15.9	10.2
Top Quintile	6,505	18.5	297,285	65,057	232,228	21.9	63.0	58.9	84.3
All	35,193	100.0	87,173	14,262	72,912	16.4	100.0	100.0	100.0
Addendum									
80-90	2,933	8.3	127,727	20,187	107,540	15.8	12.2	12.3	11.8
90-95	1,593	4.5	183,292	33,686	149,607	18.4	9.5	9.3	10.7
95-99	1,528	4.3	318,053	67,019	251,035	21.1	15.8	15.0	20.4
Top 1 Percent	451	1.3	1,732,517	461,102	1,271,415	26.6	25.5	22.3	41.4
Top 0.1 Percent	49	0.1	7,447,999	2,179,691	5,268,308	29.3	11.9	10.1	21.3

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 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.

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