

**Table T09-0297**  
**Tax Units with a Change in Effective Marginal Individual Income Tax Rates (EMTR)**  
**Administration's Fiscal Year 2010 Budget Proposal versus Current Law Baseline**  
**Distribution by Cash Income Percentile, 2012<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units (thousands) <sup>4</sup>	Percent of Tax Units With <sup>5</sup>			
		No Earnings	Increase in EMTR	No Change in EMTR	Decrease in EMTR
Lowest Quintile	39,873	34.3	2.6	14.6	48.5
Second Quintile	34,937	22.8	8.1	41.2	27.9
Third Quintile	31,874	14.3	9.2	37.4	39.1
Fourth Quintile	26,646	11.0	10.3	15.6	63.1
Top Quintile	23,298	9.8	17.1	9.1	64.1
All	157,348	20.2	8.6	24.5	46.7
<b>Addendum</b>					
80-90	11,720	9.1	18.7	3.9	68.4
90-95	5,734	9.7	19.0	6.1	65.1
95-99	4,655	10.6	12.9	25.0	51.5
Top 1 Percent	1,190	13.3	7.9	13.0	65.7
Top 0.1 Percent	120	13.1	3.5	19.8	63.6

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

(1) Calendar year. Baseline is current law. The proposal is the Administration's Fiscal Year 2010 Budget Proposal. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,429, 40% \$37,634, 60% \$65,903, 80% \$112,079, 90% \$162,348, 95% \$227,254, 99% \$601,435, 99.9% \$2,737,383.

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

(5) Tax units with no earnings (defined as wages and salaries plus self-employment income) are not included in the higher, lower, and same columns.