

Table T09-0299
Tax Units with a Change in Effective Marginal Individual Income Tax Rates (EMTR)
Administration's Fiscal Year 2010 Budget Proposal versus Administration Baseline
Distribution by Cash Income Percentile, 2012¹

Cash Income Percentile ^{2,3}	Tax Units (thousands) ⁴	Percent of Tax Units With ⁵			
		No Earnings	Increase in EMTR	No Change in EMTR	Decrease in EMTR
Lowest Quintile	39,873	34.3	5.3	31.0	29.4
Second Quintile	34,937	22.8	9.1	59.7	8.3
Third Quintile	31,874	14.3	7.8	70.9	7.0
Fourth Quintile	26,646	11.0	20.0	63.9	5.1
Top Quintile	23,298	9.8	24.3	62.1	3.8
All	157,348	20.2	11.9	55.6	12.2
Addendum					
80-90	11,720	9.1	4.0	81.6	5.2
90-95	5,734	9.7	53.3	34.7	2.2
95-99	4,655	10.6	28.4	58.4	2.5
Top 1 Percent	1,190	13.3	68.4	16.6	1.7
Top 0.1 Percent	120	13.1	76.5	9.3	1.1

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. 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. The proposal is the Administration's Fiscal Year 2010 Budget Proposal.

(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.