

Table T09-0166
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		
		Increase in EMTR	No Change in EMTR	Decrease in EMTR
Lowest Quintile	27,758	8.9	48.7	42.4
Second Quintile	27,228	11.6	78.8	9.6
Third Quintile	27,471	9.1	84.2	6.8
Fourth Quintile	23,532	22.3	72.2	5.6
Top Quintile	20,942	27.7	67.5	4.8
All	127,238	15.1	70.2	14.7
Addendum				
80-90	10,617	5.6	87.8	6.6
90-95	5,132	53.8	43.7	2.5
95-99	4,162	39.6	57.0	3.4
Top 1 Percent	1,030	77.4	19.1	3.5
Top 0.1 Percent	104	87.3	10.2	2.6

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

1. Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). 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

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, <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% \$19,957, 40% \$37,919, 60% \$65,635, 80% \$111,847, 90% \$160,851, 95% \$224,521, 99% \$590,626, 99.9% \$2,706,133.

4. Includes both filing and non-filing units but excludes those that are dependents of other tax units. Excludes tax units with zero earnings.