29-May-09 PRELIMINARY RESULTS

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T09-0305
Administration's FY2010 Budget Proposals
Individual Income Tax Measures Affecting High Income Taxpayers
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2012
Summary Table

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td></td>
<td></td>
<td>Change (% Points)</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.4</td>
<td>0.0</td>
<td>-0.4</td>
<td>0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>1.9</td>
<td>0.0</td>
<td>-3.1</td>
<td>1</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0</td>
<td>4.3</td>
<td>0.0</td>
<td>-9.1</td>
<td>2</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.1</td>
<td>8.4</td>
<td>0.0</td>
<td>-25.3</td>
<td>6</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>14.3</td>
<td>17.3</td>
<td>0.0</td>
<td>137.8</td>
<td>-37</td>
</tr>
<tr>
<td>All</td>
<td>2.1</td>
<td>5.4</td>
<td>0.0</td>
<td>100.0</td>
<td>-4</td>
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</table>

Addendum

<table>
<thead>
<tr>
<th></th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>0.2</td>
<td>13.6</td>
<td>0.0</td>
<td>-28.4</td>
<td>15</td>
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<tr>
<td>90-95</td>
<td>17.8</td>
<td>18.4</td>
<td>0.0</td>
<td>6.7</td>
<td>-7</td>
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<tr>
<td>95-99</td>
<td>32.9</td>
<td>22.7</td>
<td>0.1</td>
<td>258.6</td>
<td>-344</td>
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<tr>
<td>Top 1 Percent</td>
<td>62.5</td>
<td>26.5</td>
<td>0.0</td>
<td>-99.0</td>
<td>515</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>50.3</td>
<td>46.5</td>
<td>-0.2</td>
<td>-205.5</td>
<td>10,599</td>
</tr>
</tbody>
</table>

Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 18.6
(1) Calendar year. Baseline is current law. Proposal would: (a) 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; (b) set the thresholds for the personal exemption phaseout and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (c) 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.
(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) 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 T09-0305
Administration's FY2010 Budget Proposals
Individual Income Tax Measures Affecting High Income Taxpayers
Baseline: Current Law

#### Distribution of Federal Tax Change by Cash Income Percentile, 2012

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes Change</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td></td>
<td>Dollars</td>
<td>Percent</td>
<td>(% of Total)</td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.4</td>
<td>0.0</td>
<td>-0.4</td>
<td>0</td>
<td>0.0</td>
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<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>1.9</td>
<td>0.0</td>
<td>-3.1</td>
<td>1</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0</td>
<td>4.3</td>
<td>0.0</td>
<td>-9.1</td>
<td>2</td>
<td>0.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.1</td>
<td>8.4</td>
<td>0.0</td>
<td>-25.3</td>
<td>6</td>
<td>0.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>14.3</td>
<td>17.3</td>
<td>0.0</td>
<td>137.8</td>
<td>-37</td>
<td>-0.1</td>
</tr>
<tr>
<td>All</td>
<td>2.1</td>
<td>5.4</td>
<td>0.0</td>
<td>100.0</td>
<td>-4</td>
<td>0.0</td>
</tr>
<tr>
<td>Addendum</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>80-90</td>
<td>0.2</td>
<td>13.6</td>
<td>0.0</td>
<td>-28.4</td>
<td>15</td>
<td>0.0</td>
</tr>
<tr>
<td>90-95</td>
<td>17.8</td>
<td>18.4</td>
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<td>6.7</td>
<td>-7</td>
<td>0.0</td>
</tr>
<tr>
<td>95-99</td>
<td>32.9</td>
<td>22.7</td>
<td>0.1</td>
<td>256.6</td>
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<td>-0.4</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>62.5</td>
<td>26.5</td>
<td>0.0</td>
<td>-99.0</td>
<td>515</td>
<td>0.1</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>50.3</td>
<td>46.5</td>
<td>-0.2</td>
<td>-205.5</td>
<td>10,599</td>
<td>0.4</td>
</tr>
</tbody>
</table>

#### Baseline Distribution of Income and Federal Taxes by Cash Income Percentile, 2012

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (thousands)</td>
<td>Percent of Total</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Lowest Quintile</td>
<td>38,450</td>
<td>24.4</td>
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<td>610</td>
<td>10,991</td>
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<tr>
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<td>22.2</td>
<td>28,852</td>
<td>3,344</td>
<td>25,308</td>
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<tr>
<td>Middle Quintile</td>
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<td>52,224</td>
<td>9,499</td>
<td>42,725</td>
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<tr>
<td>Fourth Quintile</td>
<td>26,646</td>
<td>16.9</td>
<td>88,978</td>
<td>19,144</td>
<td>69,833</td>
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<tr>
<td>Top Quintile</td>
<td>23,298</td>
<td>14.8</td>
<td>280,229</td>
<td>78,784</td>
<td>201,445</td>
</tr>
<tr>
<td>All</td>
<td>157,348</td>
<td>100.0</td>
<td>76,169</td>
<td>17,790</td>
<td>58,378</td>
</tr>
</tbody>
</table>

#### Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (thousands)</td>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>11,720</td>
<td>7.5</td>
<td>138,385</td>
<td>34,024</td>
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<td>90-95</td>
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<td>50,063</td>
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<td>95-99</td>
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<td>345,574</td>
<td>94,783</td>
<td>250,791</td>
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<td>Top 1 Percent</td>
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<td>829,645</td>
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<td>8,367,274</td>
<td>2,978,103</td>
<td>5,389,171</td>
</tr>
</tbody>
</table>


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Number of AMT Taxpayers (millions). Baseline: 18.2 Proposal: 18.6

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## Administration's FY2010 Budget Proposals: Individual Income Tax Measures Affecting High Income Taxpayers

### Baseline: Current Law


#### Table T09-0305

<table>
<thead>
<tr>
<th>Cash Income Percentile1,2</th>
<th>Percent of Tax Units With Tax Cut</th>
<th>Percent of Tax Units With Tax Increase</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change (Dollars)</th>
<th>Share of Federal Taxes Change (Percent of Total)</th>
<th>Average Federal Tax Rate6</th>
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<tbody>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>1.3</td>
<td>0.0</td>
<td>1.6</td>
<td>0.0</td>
<td>10.9</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0</td>
<td>3.2</td>
<td>0.0</td>
<td>6.0</td>
<td>0.0</td>
<td>17.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.0</td>
<td>7.1</td>
<td>0.0</td>
<td>21.7</td>
<td>0.0</td>
<td>20.9</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>11.2</td>
<td>16.2</td>
<td>0.0</td>
<td>129.4</td>
<td>0.0</td>
<td>27.9</td>
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<tr>
<td>All</td>
<td>2.1</td>
<td>5.4</td>
<td>0.0</td>
<td>100.0</td>
<td>0.0</td>
<td>23.4</td>
</tr>
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<td><strong>Addendum</strong></td>
<td></td>
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</tr>
<tr>
<td>80-90</td>
<td>0.6</td>
<td>11.3</td>
<td>0.0</td>
<td>24.2</td>
<td>0.0</td>
<td>24.3</td>
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<tr>
<td>90-95</td>
<td>7.5</td>
<td>18.1</td>
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<td>9.7</td>
<td>0.0</td>
<td>25.6</td>
</tr>
<tr>
<td>95-99</td>
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<td>0.1</td>
<td>36.2</td>
<td>0.0</td>
<td>27.2</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>38.3</td>
<td>28.0</td>
<td>0.0</td>
<td>99.2</td>
<td>0.0</td>
<td>29.4</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>49.4</td>
<td>46.7</td>
<td>-0.2</td>
<td>-209.7</td>
<td>0.0</td>
<td>35.4</td>
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<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Number of Tax Units (Thousands)</th>
<th>Percent of Total</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income4 (Dollars)</th>
<th>Average Federal Tax Rate6</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>31,706</td>
<td>20.2</td>
<td>10,935</td>
<td>9,090</td>
<td>245</td>
<td>10,690</td>
<td>2.2</td>
<td>2.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>32,349</td>
<td>20.6</td>
<td>26,208</td>
<td>23,560</td>
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<td>24,405</td>
<td>10.0</td>
<td>7.1</td>
<td>8.2</td>
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<td>31,237</td>
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<td>46,322</td>
<td>38,467</td>
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<td>46,322</td>
<td>17.0</td>
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<td>13.1</td>
</tr>
<tr>
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<td>29,980</td>
<td>19.1</td>
<td>77,565</td>
<td>61,354</td>
<td>16,211</td>
<td>77,565</td>
<td>20.9</td>
<td>19.4</td>
<td>20.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>29,936</td>
<td>19.0</td>
<td>235,547</td>
<td>169,930</td>
<td>65,618</td>
<td>235,547</td>
<td>27.9</td>
<td>58.8</td>
<td>55.4</td>
</tr>
<tr>
<td>All</td>
<td>157,348</td>
<td>100.0</td>
<td>76,169</td>
<td>58,378</td>
<td>17,790</td>
<td>76,169</td>
<td>23.4</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile2,3</th>
<th>Number of Tax Units (Thousands)</th>
<th>Percent of Total</th>
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<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>15,019</td>
<td>9.6</td>
<td>117,658</td>
<td>98,137</td>
<td>28,521</td>
<td>117,658</td>
<td>24.2</td>
<td>14.7</td>
<td>14.6</td>
</tr>
<tr>
<td>90-95</td>
<td>7,549</td>
<td>4.8</td>
<td>167,170</td>
<td>124,459</td>
<td>42,711</td>
<td>167,170</td>
<td>25.6</td>
<td>10.5</td>
<td>10.2</td>
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<tr>
<td>95-99</td>
<td>5,040</td>
<td>3.8</td>
<td>294,212</td>
<td>231,985</td>
<td>62,227</td>
<td>294,212</td>
<td>27.3</td>
<td>14.6</td>
<td>13.8</td>
</tr>
<tr>
<td>Top 1 Percent</td>
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<td>313,402</td>
<td>1,384,726</td>
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<td>Top 0.1 Percent</td>
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<td>2,599,378</td>
<td>7,360,192</td>
<td>35.3</td>
<td>8.7</td>
<td>7.4</td>
</tr>
</tbody>
</table>


1. Calendar year: Baseline is current law. Proposal would: (a) 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; (b) set the thresholds for the personal exemption phaseout and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (c) 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.

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 the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% $13,268, 40% $24,875, 60% $42,021, 80% $68,444, 90% $98,198, 95% $139,231, 99% $363,345, 99.9% $1,676,752.

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.

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Administration’s FY2010 Budget Proposals
Individual Income Tax Measures Affecting High Income Taxpayers
Baseline: Current Law

Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 1

<table>
<thead>
<tr>
<th>Cash Income Percentile1,3</th>
<th>Percent of Tax Units1</th>
<th>Percent Change in After-Tax Income3</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td>Under the Proposal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0 0.1</td>
<td>0.0 0.1</td>
<td>0 0.0</td>
<td>0.0 0.0</td>
<td>0.0 1.5</td>
<td>0.0 7.4</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0 1.4</td>
<td>0.0 5.8</td>
<td>0 0.0</td>
<td>0.0 5.3</td>
<td>0.0 11.9</td>
<td></td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0 3.2</td>
<td>0.0 17.5</td>
<td>1 0.0</td>
<td>0.0 12.5</td>
<td>0.0 18.1</td>
<td></td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.0 6.4</td>
<td>0.0 34.7</td>
<td>3 0.0</td>
<td>0.0 20.4</td>
<td>0.0 22.0</td>
<td></td>
</tr>
<tr>
<td>Top Quintile</td>
<td>5.8 15.9</td>
<td>0.0 41.6</td>
<td>4 0.0</td>
<td>0.0 60.2</td>
<td>0.0 28.7</td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>0.8 4.3</td>
<td>0.0 100.0</td>
<td>1 0.0</td>
<td>0.0 100.0</td>
<td>0.0 23.0</td>
<td></td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile1,3</th>
<th>Percent of Tax Units1</th>
<th>Percent Change in After-Tax Income3</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate3</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>0.0 9.9</td>
<td>0.0 40.5</td>
<td>7 0.0</td>
<td>0.0 15.5</td>
<td>0.0 25.3</td>
<td></td>
</tr>
<tr>
<td>90-95</td>
<td>0.1 18.4</td>
<td>0.0 50.5</td>
<td>19 0.1</td>
<td>0.0 16.9</td>
<td>0.0 26.9</td>
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</tr>
<tr>
<td>95-99</td>
<td>20.5 26.5</td>
<td>0.1 -201.3</td>
<td>-98 -0.2</td>
<td>0.0 14.6</td>
<td>-0.1 27.7</td>
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</tr>
<tr>
<td>Top 1 Percent</td>
<td>52.5 30.1</td>
<td>-0.1 152.0</td>
<td>369 0.1</td>
<td>0.0 19.1</td>
<td>0.0 34.6</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>48.9 46.1</td>
<td>-0.2 237.9</td>
<td>6,589 0.3</td>
<td>0.0 9.1</td>
<td>0.1 38.3</td>
<td></td>
</tr>
</tbody>
</table>

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 1

<table>
<thead>
<tr>
<th>Cash Income Percentile1,3</th>
<th>Tax Units1</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate8</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
<th>Percent Change</th>
<th>Percent Change</th>
<th>Percent Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>16,972</td>
<td>24.6 8,380</td>
<td>617 7,763</td>
<td>1,573</td>
<td>7.4</td>
<td>4.7</td>
<td>7.4</td>
<td>3.7</td>
<td>1.5</td>
<td>1.3</td>
<td>1.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>16,474</td>
<td>22.5 19,970</td>
<td>2,367 17,603</td>
<td>2,263</td>
<td>11.6</td>
<td>10.2</td>
<td>11.7</td>
<td>5.3</td>
<td>2</td>
<td>2.3</td>
<td>2.3</td>
<td>1.0</td>
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<tr>
<td>Middle Quintile</td>
<td>14,005</td>
<td>20.3 34,261</td>
<td>6,204 30,058</td>
<td>10,843</td>
<td>28.7</td>
<td>48.2</td>
<td>44.7</td>
<td>60.2</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>0.5</td>
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<tr>
<td>Fourth Quintile</td>
<td>11,543</td>
<td>16.8 55,833</td>
<td>12,288 43,545</td>
<td>10,283</td>
<td>22.0</td>
<td>21.3</td>
<td>21.6</td>
<td>26.4</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>9,596</td>
<td>13.9 151,979</td>
<td>45,336 108,443</td>
<td>63,107</td>
<td>28.7</td>
<td>48.2</td>
<td>44.7</td>
<td>60.2</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>0.5</td>
</tr>
<tr>
<td>All</td>
<td>68,932</td>
<td>100.0 43,878</td>
<td>10,073 33,804</td>
<td>6,889</td>
<td>23.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>3.7</td>
<td>3.7</td>
<td>3.7</td>
<td>0.5</td>
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</table>

Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile1,3</th>
<th>Tax Units1</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
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<th>Average Federal Tax Rate8</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
<th>Percent Change</th>
<th>Percent Change</th>
<th>Percent Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>5,066</td>
<td>7.4 84,037</td>
<td>21,282 62,755</td>
<td>23,467</td>
<td>25.3</td>
<td>14.1</td>
<td>13.6</td>
<td>15.5</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>90-95</td>
<td>2,373</td>
<td>3.4 119,032</td>
<td>31,989 87,043</td>
<td>97,054</td>
<td>26.9</td>
<td>9.3</td>
<td>8.9</td>
<td>10.0</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>95-99</td>
<td>1,795</td>
<td>2.6 204,548</td>
<td>56,672 147,876</td>
<td>91,192</td>
<td>27.7</td>
<td>12.1</td>
<td>11.4</td>
<td>14.7</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>361</td>
<td>0.5 1,060,631</td>
<td>366,415 694,216</td>
<td>327,801</td>
<td>28.7</td>
<td>12.7</td>
<td>10.8</td>
<td>19.1</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>32</td>
<td>0.3 5,243,107</td>
<td>1,998,766 3,244,340</td>
<td>1,239,574</td>
<td>38.1</td>
<td>5.5</td>
<td>4.4</td>
<td>9.1</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>0.5</td>
</tr>
</tbody>
</table>

(1) Calendar year. Baseline is current law. Proposal would: (a) 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; (b) set the thresholds for the personal exemption phaseout and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (c) 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.
(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) Share of pre-tax income, post-tax income, and federal taxes 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% $13,268, 40% $24,875, 60% $42,021, 80% $68,444, 90% $98,198, 95% $139,231, 99% $363,345, 99.9% $1,676,752.
(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 T09-0305
Administration’s FY2010 Budget Proposals
Individual Income Tax Measures Affecting High Income Taxpayers
Baseline: Current Law


<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td>Average Federal Tax Burden (Dollars)</td>
<td>Average After-Tax Income (Dollars)</td>
<td>Average Federal Tax Rate</td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>1.9</td>
<td>-0.5</td>
<td>0.0</td>
<td>0.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0</td>
<td>4.0</td>
<td>-2.3</td>
<td>6.0</td>
<td>0.0</td>
<td>15.3</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.0</td>
<td>8.3</td>
<td>-16.9</td>
<td>0.0</td>
<td>0.0</td>
<td>20.2</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>14.2</td>
<td>16.8</td>
<td>113.8</td>
<td>-52</td>
<td>-0.1</td>
<td>76.9</td>
</tr>
<tr>
<td>All</td>
<td>4.3</td>
<td>8.2</td>
<td>100.0</td>
<td>-14</td>
<td>-0.1</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum

| 80-90                  | 0.7                  | 12.6                              | -12.5                             | 12                       | 0.0                   | 15.5                    |
| 90-95                  | 11.0                 | 18.4                              | -1.2                              | 2                        | 0.0                   | 12.4                    |
| 95-99                  | 36.9                 | 21.9                              | 169.8                             | -371                     | -0.4                  | 18.9                    |
| Top 1 Percent          | 60.8                 | 26.8                              | 354                               | 0.1                      | 0.0                   | 30.1                    |
| Top 0.1 Percent        | 50.3                 | 46.3                              | -115.4                            | 9,591                    | 0.4                   | 15.0                    |


<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Tax Units (thousands)</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Burden (Percent of Total)</th>
<th>Average After-Tax Income (Percent of Total)</th>
<th>Share of Total Federal Taxes</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>6,622</td>
<td>10.8</td>
<td>14,526</td>
<td>446</td>
<td>14,080</td>
<td>3.1</td>
<td>1.2</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>8,956</td>
<td>14.6</td>
<td>33,405</td>
<td>3,580</td>
<td>29,825</td>
<td>10.7</td>
<td>3.9</td>
<td>4.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>11,470</td>
<td>18.7</td>
<td>59,671</td>
<td>9,383</td>
<td>50,289</td>
<td>15.7</td>
<td>8.9</td>
<td>9.9</td>
<td>5.7</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>15,032</td>
<td>24.5</td>
<td>95,023</td>
<td>19,201</td>
<td>75,821</td>
<td>20.2</td>
<td>18.5</td>
<td>19.5</td>
<td>15.3</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>18,609</td>
<td>30.3</td>
<td>126,020</td>
<td>77,857</td>
<td>48,163</td>
<td>37.0</td>
<td>67.8</td>
<td>64.9</td>
<td>77.0</td>
</tr>
<tr>
<td>All</td>
<td>61,357</td>
<td>100.0</td>
<td>1,260,200</td>
<td>30,683</td>
<td>1,229,517</td>
<td>24.4</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Addendum

| 80-90                  | 8,860                 | 14.4                     | 138,312                              | 32,918                             | 105,403                                     | 23.8                                      | 15.9                       | 16.0                     | 15.5                   |
| 90-95                  | 4,843                 | 7.9                      | 192,091                              | 48,281                             | 143,810                                     | 25.1                                      | 12.0                       | 11.9                     | 12.4                   |
| 95-99                  | 3,890                 | 6.3                      | 337,723                              | 91,873                             | 245,850                                     | 27.2                                      | 17.0                       | 16.4                     | 19.0                   |
| Top 1 Percent          | 1,015                 | 1.7                      | 1,748,464                            | 557,417                            | 1,191,047                                   | 31.9                                      | 23.0                       | 20.7                     | 30.1                   |
| Top 0.1 Percent        | 102                   | 0.2                      | 7,890,377                            | 2,742,932                          | 5,147,445                                   | 34.8                                      | 10.5                       | 9.0                      | 14.9                   |


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<table>
<thead>
<tr>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average After-Tax Income Rate</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>7,840</td>
<td>31.9</td>
<td>13,490</td>
<td>765</td>
<td>14,255</td>
<td>0.00</td>
<td>3.60</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>7,497</td>
<td>30.5</td>
<td>30,617</td>
<td>2,877</td>
<td>27,740</td>
<td>0.37</td>
<td>9.40</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>5,095</td>
<td>20.8</td>
<td>50,275</td>
<td>8,877</td>
<td>41,398</td>
<td>0.13</td>
<td>17.70</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>2,777</td>
<td>11.5</td>
<td>76,881</td>
<td>16,627</td>
<td>60,254</td>
<td>0.35</td>
<td>21.60</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>1,242</td>
<td>19.0</td>
<td>178,521</td>
<td>47,330</td>
<td>131,191</td>
<td>0.30</td>
<td>26.60</td>
</tr>
<tr>
<td>All</td>
<td>24,547</td>
<td>100.0</td>
<td>41,760</td>
<td>6,757</td>
<td>35,003</td>
<td>0.10</td>
<td>16.20</td>
</tr>
</tbody>
</table>

Addendum

<table>
<thead>
<tr>
<th>Under the Proposal</th>
<th>Under the Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Total</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Change (% Points)</td>
<td>Change (% Points)</td>
</tr>
<tr>
<td>80-90</td>
<td>805</td>
</tr>
<tr>
<td>90-95</td>
<td>232</td>
</tr>
<tr>
<td>95-99</td>
<td>173</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>33</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>3</td>
</tr>
</tbody>
</table>


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Table T09-0305
Administration's FY2010 Budget Proposals
Individual Income Tax Measures Affecting High Income Taxpayers
Baseline: Current Law


<table>
<thead>
<tr>
<th>Share of Total Federal Tax Change (Dollars)</th>
<th>Per Cent of Total</th>
<th>Per Cent of Total</th>
<th>Per Cent of Total</th>
<th>Per Cent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under the Proposal</td>
<td>Change (% Points)</td>
<td>Under the Proposal</td>
<td>Change (% Points)</td>
<td></td>
</tr>
<tr>
<td>Cash Income Percentile2,3</td>
<td>Tax Units4</td>
<td>Average Federal Tax</td>
<td>Share of Pre-Tax Income</td>
<td>Average After-Tax Income5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lowest Quintile</td>
<td>10,133</td>
<td>20.6</td>
<td>14,723</td>
<td>-936</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>10,359</td>
<td>21.1</td>
<td>34,672</td>
<td>3,339</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>9,800</td>
<td>19.9</td>
<td>62,981</td>
<td>11,329</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>8,315</td>
<td>16.9</td>
<td>304,063</td>
<td>87,962</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>49,155</td>
<td>100.0</td>
<td>95,419</td>
<td>22,955</td>
</tr>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addendum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80-90</td>
<td>3,498</td>
<td>9.0</td>
<td>157,496</td>
<td>39,466</td>
</tr>
<tr>
<td>90-95</td>
<td>1,976</td>
<td>4.0</td>
<td>224,546</td>
<td>58,357</td>
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<tr>
<td>Top 1 Percent</td>
<td>374</td>
<td>0.8</td>
<td>2,684,455</td>
<td>706,373</td>
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<tr>
<td>Top 0.1 Percent</td>
<td>36</td>
<td>0.1</td>
<td>9,839,694</td>
<td>3,519,421</td>
</tr>
</tbody>
</table>

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

(1) Calendar year. Baseline is current law. Proposal would: (a) 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; (b) set the thresholds for the personal exemption phaseout and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (c) 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.

(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% $13,268; 40% $24,873; 60% $42,021; 80% $68,444; 90% $98,198; 95% $150,231; 99% $363,345, 99.9% $1,676,752.

(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.
### Preliminary Results

http://www.taxpolicycenter.org

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Percent of Tax Units With Tax Cut</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>11.1</td>
<td>30.2</td>
<td>87.3</td>
<td>72.1</td>
<td>0.0</td>
<td>83.5</td>
</tr>
<tr>
<td>All</td>
<td>2.1</td>
<td>10.0</td>
<td>100.0</td>
<td>100.0</td>
<td>0.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

#### Addendum

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Share of Federal Taxes Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>0.4</td>
</tr>
<tr>
<td>90-95</td>
<td>3.5</td>
</tr>
<tr>
<td>95-99</td>
<td>27.7</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>41.7</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>39.8</td>
</tr>
</tbody>
</table>

**Baseline Distribution of Income and Federal Taxes by Cash Income Percentile Adjusted for Family Size, 2012**

**Tax Units**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Number (thousands)</th>
<th>Percent of Total</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest Quintile</td>
<td>5,016</td>
<td>16.4</td>
<td>10,899</td>
<td>283</td>
<td>10,616</td>
<td>2.6</td>
</tr>
<tr>
<td>Second Quintile</td>
<td>2,213</td>
<td>26.9</td>
<td>22,528</td>
<td>998</td>
<td>21,529</td>
<td>4.4</td>
</tr>
<tr>
<td>Middle Quintile</td>
<td>5,981</td>
<td>19.6</td>
<td>41,094</td>
<td>2,842</td>
<td>38,252</td>
<td>6.9</td>
</tr>
<tr>
<td>Fourth Quintile</td>
<td>5,495</td>
<td>18.0</td>
<td>70,238</td>
<td>8,996</td>
<td>61,242</td>
<td>12.8</td>
</tr>
<tr>
<td>Top Quintile</td>
<td>5,617</td>
<td>18.4</td>
<td>257,048</td>
<td>83,891</td>
<td>173,157</td>
<td>32.6</td>
</tr>
<tr>
<td>All</td>
<td>30,543</td>
<td>100.0</td>
<td>757,737</td>
<td>60,555</td>
<td>697,182</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Addendum**

<table>
<thead>
<tr>
<th>Cash Income Percentile</th>
<th>Share of Total Federal Tax Change</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-90</td>
<td>2,427</td>
<td>8.0</td>
<td>105,444</td>
<td>85,744</td>
</tr>
<tr>
<td>90-95</td>
<td>1,362</td>
<td>4.5</td>
<td>153,103</td>
<td>119,913</td>
</tr>
<tr>
<td>95-99</td>
<td>1,394</td>
<td>4.6</td>
<td>276,082</td>
<td>198,438</td>
</tr>
<tr>
<td>Top 1 Percent</td>
<td>434</td>
<td>1.4</td>
<td>1,396,961</td>
<td>941,644</td>
</tr>
<tr>
<td>Top 0.1 Percent</td>
<td>42</td>
<td>0.1</td>
<td>6,520,691</td>
<td>4,182,648</td>
</tr>
</tbody>
</table>

**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: Baseline is current law. Proposal would: (a) 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; (b) set the thresholds for the personal exemption phaseout and limitation on itemized deductions to $250,000 of AGI (married) and $200,000 (single), indexed for inflation after 2009; (c) 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.

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