

Table T09-0314
Administration's FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Summary Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	5.4
10-20	0.0	0.0	0.0	0.0	0	0.0	4.6
20-30	0.0	0.0	0.0	0.0	0	0.0	8.8
30-40	0.0	0.0	0.0	0.0	0	0.0	12.9
40-50	0.0	0.0	0.0	0.0	0	0.0	15.4
50-75	0.0	0.0	0.0	0.0	0	0.0	17.5
75-100	0.0	0.0	0.0	0.0	0	0.0	19.2
100-200	0.0	0.1	0.0	0.1	1	0.0	21.6
200-500	0.0	31.3	-0.2	15.8	376	0.1	24.3
500-1,000	0.1	80.4	-0.5	19.0	2,563	0.4	25.8
More than 1,000	0.0	88.9	-0.8	65.1	17,380	0.6	30.2
All	0.0	2.1	-0.2	100.0	90	0.1	20.8

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

Number of AMT Taxpayers (millions). Baseline: 5.1

Proposal: 4.9

(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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

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

(4) 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.

(5) 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 FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	5.4
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	4.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.9	0.0	8.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	12.9
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	3.7	0.0	15.4
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.2	0.0	17.5
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.0	0.0	19.2
100-200	0.0	0.1	0.0	0.1	1	0.0	-0.1	25.3	0.0	21.6
200-500	0.0	31.3	-0.2	15.8	376	0.5	0.0	17.2	0.1	24.3
500-1,000	0.1	80.4	-0.5	19.0	2,563	1.4	0.1	7.7	0.4	25.8
More than 1,000	0.0	88.9	-0.8	65.1	17,380	1.9	0.3	20.0	0.6	30.2
All	0.0	2.1	-0.2	100.0	90	0.6	0.0	100.0	0.1	20.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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							
Less than 10	16,867	10.7	5,698	305	5,393	5.4	0.8	1.0	0.2
10-20	24,202	15.4	15,471	710	14,761	4.6	3.1	3.8	0.7
20-30	21,129	13.4	25,711	2,250	23,461	8.8	4.5	5.2	1.9
30-40	16,119	10.2	36,076	4,637	31,438	12.9	4.9	5.3	3.0
40-50	12,811	8.1	46,449	7,131	39,319	15.4	5.0	5.3	3.7
50-75	22,730	14.5	63,828	11,176	52,652	17.5	12.1	12.6	10.3
75-100	14,433	9.2	89,794	17,198	72,596	19.2	10.8	11.0	10.0
100-200	20,762	13.2	140,646	30,389	110,257	21.6	24.4	24.1	25.5
200-500	5,989	3.8	294,838	71,232	223,607	24.2	14.7	14.1	17.2
500-1,000	1,052	0.7	703,124	178,856	524,267	25.4	6.2	5.8	7.6
More than 1,000	533	0.3	3,105,866	919,118	2,186,748	29.6	13.8	12.3	19.8
All	157,348	100.0	76,169	15,744	60,424	20.7	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 5.1

Proposal: 4.9

(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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

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

(4) After-tax income is cash income less: individual income less: refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) 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 T09-0314
Administration's FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.9	0.0	8.5
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	8.4
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	6.0	0.0	13.2
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	7.5	0.0	17.3
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	8.4	0.0	19.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	18.9	0.0	21.5
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	12.0	0.0	23.6
100-200	0.0	0.1	0.0	0.0	0	0.0	-0.1	18.0	0.0	24.3
200-500	0.0	43.7	-0.2	18.1	426	0.6	0.0	9.5	0.1	25.3
500-1,000	0.0	74.8	-0.5	18.1	2,430	1.3	0.0	4.2	0.4	27.8
More than 1,000	0.0	83.8	-0.8	63.7	15,716	1.6	0.2	11.6	0.5	32.9
All	0.0	0.7	-0.1	100.0	27	0.3	0.0	100.0	0.1	20.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	12,093	17.5	5,684	482	5,203	8.5	2.3	2.6	0.9
10-20	14,849	21.5	15,322	1,286	14,036	8.4	7.5	8.7	3.0
20-30	11,214	16.3	25,573	3,371	22,202	13.2	9.5	10.4	6.0
30-40	7,581	11.0	36,006	6,225	29,781	17.3	9.0	9.4	7.5
40-50	5,967	8.7	46,386	8,879	37,507	19.1	9.2	9.4	8.4
50-75	8,814	12.8	62,955	13,521	49,433	21.5	18.4	18.2	18.9
75-100	3,630	5.3	88,784	20,931	67,854	23.6	10.7	10.3	12.1
100-200	3,425	5.0	136,925	33,201	103,724	24.3	15.5	14.8	18.0
200-500	789	1.1	299,674	75,425	224,249	25.2	7.8	7.4	9.4
500-1,000	138	0.2	695,858	191,298	504,560	27.5	3.2	2.9	4.2
More than 1,000	75	0.1	2,961,621	958,491	2,003,130	32.4	7.4	6.3	11.4
All	68,932	100.0	43,878	9,146	34,731	20.8	100.0	100.0	100.0

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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

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

(4) 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.

(5) 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 T09-0314
Administration's FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	4.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.8
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	4.5
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	7.6
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	10.3
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	5.4	0.0	14.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.5	0.0	17.2
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.2	29.1	0.0	21.0
200-500	0.0	28.7	-0.2	15.7	363	0.5	0.0	21.3	0.1	24.1
500-1,000	0.2	81.2	-0.5	19.6	2,590	1.5	0.1	9.5	0.4	25.5
More than 1,000	0.0	89.8	-0.8	64.7	17,198	1.9	0.3	23.8	0.6	29.7
All	0.0	4.1	-0.2	100.0	189	0.7	0.0	100.0	0.2	21.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,164	3.5	4,748	228	4,520	4.8	0.1	0.2	0.0
10-20	4,064	6.6	15,973	441	15,532	2.8	0.8	1.0	0.1
20-30	4,828	7.9	25,857	1,168	24,689	4.5	1.6	2.0	0.3
30-40	4,406	7.2	36,192	2,739	33,453	7.6	2.1	2.4	0.7
40-50	4,057	6.6	46,612	4,804	41,808	10.3	2.5	2.8	1.2
50-75	9,840	16.0	64,984	9,109	55,874	14.0	8.3	9.1	5.4
75-100	9,114	14.9	90,400	15,516	74,885	17.2	10.7	11.2	8.5
100-200	16,285	26.5	141,926	29,768	112,159	21.0	29.9	30.1	29.3
200-500	4,998	8.2	294,061	70,524	223,537	24.0	19.0	18.4	21.3
500-1,000	880	1.4	704,704	177,065	527,638	25.1	8.0	7.6	9.4
More than 1,000	437	0.7	3,067,872	892,687	2,175,185	29.1	17.3	15.6	23.5
All	61,357	100.0	126,020	26,988	99,032	21.4	100.0	100.0	100.0

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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

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

(4) 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.

(5) 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 T09-0314
Administration's FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.9	0.0	-7.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-3.1	0.0	-5.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.9	0.0	2.1
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	9.3	0.0	9.6
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	11.2	0.0	13.9
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	27.3	0.0	17.2
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	17.7	0.0	20.1
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	19.2	0.0	22.9
200-500	0.0	35.5	-0.2	19.4	352	0.5	0.0	7.5	0.1	23.9
500-1,000	0.0	76.7	-0.5	20.4	2,321	1.4	0.0	2.8	0.3	24.4
More than 1,000	0.0	90.9	-0.7	60.2	14,981	1.7	0.1	7.0	0.5	30.5
All	0.0	0.3	0.0	100.0	11	0.2	0.0	100.0	0.0	13.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,467	10.1	6,622	-515	7,137	-7.8	1.6	2.0	-0.9
10-20	4,998	20.4	15,513	-869	16,382	-5.6	7.6	9.3	-3.1
20-30	4,757	19.4	25,869	552	25,316	2.1	12.0	13.6	1.9
30-40	3,777	15.4	36,040	3,462	32,578	9.6	13.3	13.9	9.3
40-50	2,442	10.0	46,392	6,461	39,932	13.9	11.1	11.0	11.2
50-75	3,577	14.6	62,829	10,781	52,047	17.2	21.9	21.1	27.4
75-100	1,399	5.7	88,811	17,891	70,920	20.1	12.1	11.2	17.8
100-200	895	3.7	132,422	30,299	102,123	22.9	11.6	10.3	19.3
200-500	150	0.6	294,067	69,939	224,127	23.8	4.3	3.8	7.5
500-1,000	24	0.1	684,765	164,861	519,904	24.1	1.6	1.4	2.8
More than 1,000	11	0.0	2,969,130	891,050	2,078,079	30.0	3.2	2.6	6.9
All	24,547	100.0	41,760	5,737	36,023	13.7	100.0	100.0	100.0

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

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Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-11.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.9	0.0	-9.3
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-0.7
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	7.6
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.3	0.0	12.4
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.8	0.0	15.6
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.9	0.0	18.0
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.2	29.2	0.0	21.1
200-500	0.0	29.7	-0.2	18.0	400	0.6	0.0	20.9	0.1	24.7
500-1,000	0.0	88.8	-0.6	21.3	2,947	1.6	0.1	8.8	0.4	27.1
More than 1,000	0.0	94.5	-0.8	60.7	18,058	1.9	0.3	20.7	0.6	30.9
All	0.0	2.9	-0.2	100.0	125	0.7	0.0	100.0	0.1	20.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,948	6.0	6,225	-722	6,947	-11.6	0.4	0.6	-0.2
10-20	5,596	11.4	15,695	-1,458	17,153	-9.3	1.9	2.6	-0.9
20-30	5,687	11.6	25,809	-172	25,980	-0.7	3.1	4.0	-0.1
30-40	4,892	10.0	36,039	2,754	33,285	7.6	3.8	4.4	1.4
40-50	3,846	7.8	46,542	5,774	40,768	12.4	3.8	4.2	2.3
50-75	7,413	15.1	64,136	10,006	54,130	15.6	10.1	10.7	7.8
75-100	5,821	11.8	90,376	16,297	74,078	18.0	11.2	11.5	10.0
100-200	9,378	19.1	141,540	29,821	111,719	21.1	28.3	28.0	29.4
200-500	2,778	5.7	292,361	71,682	220,679	24.5	17.3	16.4	20.9
500-1,000	445	0.9	702,705	187,184	515,521	26.6	6.7	6.1	8.8
More than 1,000	207	0.4	3,097,146	937,935	2,159,211	30.3	13.7	12.0	20.4
All	49,155	100.0	95,419	19,342	76,077	20.3	100.0	100.0	100.0

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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

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

(4) 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.

(5) 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 T09-0314
Administration's FY2010 Budget Proposals
Limit Value of Itemized Deductions to 28 Percent
Against Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	3.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.6	0.0	2.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	4.3
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	6.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	6.6
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.1	0.0	10.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.3	0.0	13.2
100-200	0.0	0.1	0.0	0.1	0	0.0	-0.2	18.9	0.0	17.7
200-500	0.0	29.0	-0.1	9.7	272	0.4	-0.1	19.2	0.1	22.4
500-1,000	0.4	70.1	-0.3	14.1	1,812	1.0	0.0	10.8	0.3	24.7
More than 1,000	0.0	87.7	-0.8	76.1	18,188	2.0	0.4	31.3	0.6	30.7
All	0.0	2.0	-0.2	100.0	104	0.8	0.0	100.0	0.1	17.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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							
Less than 10	2,290	7.5	6,340	196	6,144	3.1	0.6	0.7	0.1
10-20	6,436	21.1	15,603	388	15,216	2.5	4.3	5.1	0.6
20-30	5,081	16.6	25,455	1,101	24,354	4.3	5.6	6.5	1.4
30-40	3,028	9.9	35,926	2,137	33,788	6.0	4.7	5.3	1.6
40-50	2,243	7.3	46,389	3,061	43,328	6.6	4.5	5.1	1.7
50-75	4,407	14.4	64,259	6,438	57,820	10.0	12.2	13.3	7.1
75-100	2,503	8.2	88,731	11,670	77,061	13.2	9.6	10.1	7.4
100-200	3,022	9.9	141,022	25,008	116,014	17.7	18.4	18.3	19.0
200-500	1,130	3.7	303,653	67,620	236,033	22.3	14.8	13.9	19.2
500-1,000	246	0.8	708,629	173,400	535,230	24.5	7.5	6.9	10.7
More than 1,000	132	0.4	3,089,249	928,588	2,160,661	30.1	17.7	14.9	30.9
All	30,543	100.0	75,737	13,011	62,726	17.2	100.0	100.0	100.0

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 increase regular income tax liability before credits by the value of itemized deductions, net of any Pease limitation, multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent. For AMT purposes, AMT liability, if positive, would be increased by the value of itemized deductions excluding those for state and local taxes, medical expenses, and miscellaneous deductions subject to the 2 percent of AGI floor multiplied by the difference, if positive, between the taxpayer's statutory marginal rate and 28 percent.

(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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(4) 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.

(5) 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.