

Table T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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 | 5.5 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 4.9 |
| 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 | 15.5 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 17.6 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 18.8 |
| 100-200 | 0.0 | 0.1 | 0.0 | 0.1 | 0 | 0.0 | 21.3 |
| 200-500 | 0.2 | 7.2 | 0.0 | 6.0 | 95 | 0.0 | 24.1 |
| 500-1,000 | 0.6 | 30.1 | -0.3 | 14.4 | 1,326 | 0.2 | 26.0 |
| More than 1,000 | 0.4 | 62.5 | -0.7 | 79.6 | 14,414 | 0.5 | 30.2 |
| All | 0.0 | 0.7 | -0.1 | 100.0 | 60 | 0.1 | 20.7 |

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

Number of AMT Taxpayers (millions). Baseline: 4.9 Proposal: 4.6

(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 would limit the rate at which itemized deductions reduce individual income tax liability to 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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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 | 5.5 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.7 | 0.0 | 4.9 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 2.0 | 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 | 3.6 | 0.0 | 15.5 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.3 | 0.0 | 17.6 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.4 | 0.0 | 18.8 |
| 100-200 | 0.0 | 0.1 | 0.0 | 0.1 | 0 | 0.0 | -0.1 | 25.6 | 0.0 | 21.3 |
| 200-500 | 0.2 | 7.2 | 0.0 | 6.0 | 95 | 0.1 | 0.0 | 16.9 | 0.0 | 24.1 |
| 500-1,000 | 0.6 | 30.1 | -0.3 | 14.4 | 1,326 | 0.7 | 0.0 | 7.5 | 0.2 | 26.0 |
| More than 1,000 | 0.4 | 62.5 | -0.7 | 79.6 | 14,414 | 1.5 | 0.2 | 19.6 | 0.5 | 30.2 |
| All | 0.0 | 0.7 | -0.1 | 100.0 | 60 | 0.4 | 0.0 | 100.0 | 0.1 | 20.7 |

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 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 | 16,013 | 10.2 | 5,740 | 318 | 5,423 | 5.5 | 0.8 | 0.9 | 0.2 |
| 10-20 | 23,194 | 14.7 | 15,900 | 775 | 15,125 | 4.9 | 3.0 | 3.6 | 0.7 |
| 20-30 | 22,014 | 14.0 | 26,173 | 2,306 | 23,866 | 8.8 | 4.7 | 5.4 | 2.0 |
| 30-40 | 16,088 | 10.2 | 36,651 | 4,737 | 31,914 | 12.9 | 4.8 | 5.3 | 3.0 |
| 40-50 | 12,539 | 8.0 | 47,251 | 7,342 | 39,908 | 15.5 | 4.8 | 5.1 | 3.7 |
| 50-75 | 22,724 | 14.4 | 65,018 | 11,465 | 53,553 | 17.6 | 12.1 | 12.5 | 10.3 |
| 75-100 | 15,284 | 9.7 | 91,616 | 17,198 | 74,417 | 18.8 | 11.4 | 11.7 | 10.4 |
| 100-200 | 21,316 | 13.6 | 142,730 | 30,345 | 112,385 | 21.3 | 24.8 | 24.6 | 25.7 |
| 200-500 | 5,894 | 3.8 | 300,152 | 72,309 | 227,843 | 24.1 | 14.5 | 13.8 | 16.9 |
| 500-1,000 | 1,021 | 0.7 | 714,940 | 184,521 | 530,418 | 25.8 | 6.0 | 5.6 | 7.5 |
| More than 1,000 | 519 | 0.3 | 3,165,609 | 941,514 | 2,224,095 | 29.7 | 13.4 | 11.9 | 19.4 |
| All | 157,316 | 100.0 | 77,851 | 16,014 | 61,837 | 20.6 | 100.0 | 100.0 | 100.0 |

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

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 4.6

(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 would limit the rate at which itemized deductions reduce individual income tax liability to 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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
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 | 9.2 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 3.1 | 0.0 | 9.2 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 6.3 | 0.0 | 12.9 |
| 30-40 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 7.5 | 0.0 | 17.0 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.3 | 0.0 | 19.2 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 19.3 | 0.0 | 21.2 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 12.2 | 0.0 | 23.0 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 17.4 | 0.0 | 23.9 |
| 200-500 | 0.4 | 16.3 | -0.1 | 11.6 | 199 | 0.3 | 0.0 | 9.3 | 0.1 | 25.4 |
| 500-1,000 | 0.5 | 38.7 | -0.3 | 17.2 | 1,693 | 0.9 | 0.0 | 4.2 | 0.2 | 28.2 |
| More than 1,000 | 0.7 | 56.0 | -0.7 | 71.2 | 13,258 | 1.3 | 0.1 | 11.4 | 0.4 | 33.4 |
| All | 0.0 | 0.3 | -0.1 | 100.0 | 19 | 0.2 | 0.0 | 100.0 | 0.0 | 20.8 |

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- | Share of Post- | Share of |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------------|-----------------------------------|--------------------------------------|
| | Number (thousands) | Percent of Total | | | | | Tax Income Percent of Total | Tax Income Percent of Total | Federal Taxes Percent of Total |
| Less than 10 | 11,322 | 16.5 | 5,679 | 523 | 5,156 | 9.2 | 2.1 | 2.4 | 0.9 |
| 10-20 | 13,927 | 20.3 | 15,797 | 1,450 | 14,347 | 9.2 | 7.1 | 8.1 | 3.1 |
| 20-30 | 12,005 | 17.5 | 26,047 | 3,359 | 22,688 | 12.9 | 10.1 | 11.1 | 6.3 |
| 30-40 | 7,758 | 11.3 | 36,609 | 6,204 | 30,405 | 17.0 | 9.2 | 9.6 | 7.5 |
| 40-50 | 5,890 | 8.6 | 47,203 | 9,084 | 38,119 | 19.2 | 9.0 | 9.1 | 8.3 |
| 50-75 | 9,119 | 13.3 | 64,298 | 13,616 | 50,682 | 21.2 | 18.9 | 18.8 | 19.3 |
| 75-100 | 3,769 | 5.5 | 90,691 | 20,886 | 69,805 | 23.0 | 11.0 | 10.7 | 12.3 |
| 100-200 | 3,371 | 4.9 | 139,363 | 33,253 | 106,110 | 23.9 | 15.2 | 14.6 | 17.4 |
| 200-500 | 777 | 1.1 | 304,627 | 77,078 | 227,549 | 25.3 | 7.6 | 7.2 | 9.3 |
| 500-1,000 | 136 | 0.2 | 706,682 | 197,454 | 509,228 | 27.9 | 3.1 | 2.8 | 4.2 |
| More than 1,000 | 72 | 0.1 | 3,061,513 | 1,007,756 | 2,053,757 | 32.9 | 7.1 | 6.0 | 11.2 |
| All | 68,506 | 100.0 | 45,237 | 9,381 | 35,856 | 20.7 | 100.0 | 100.0 | 100.0 |

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

(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 would limit the rate at which itemized deductions reduce individual income tax liability to 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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
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 | 4.9 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.1 | 0.0 | 2.9 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.4 | 0.0 | 4.9 |
| 30-40 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.7 | 0.0 | 8.1 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.2 | 0.0 | 10.7 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 5.3 | 0.0 | 14.3 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 9.1 | 0.0 | 16.9 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | -0.1 | 29.7 | 0.0 | 20.7 |
| 200-500 | 0.1 | 5.9 | 0.0 | 5.3 | 81 | 0.1 | -0.1 | 20.8 | 0.0 | 23.9 |
| 500-1,000 | 0.6 | 28.5 | -0.2 | 14.3 | 1,269 | 0.7 | 0.0 | 9.2 | 0.2 | 25.7 |
| More than 1,000 | 0.4 | 63.7 | -0.7 | 80.5 | 14,272 | 1.6 | 0.3 | 23.3 | 0.5 | 29.7 |
| All | 0.0 | 1.3 | -0.1 | 100.0 | 123 | 0.5 | 0.0 | 100.0 | 0.1 | 21.4 |

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 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 | 2,080 | 3.4 | 4,968 | 246 | 4,723 | 4.9 | 0.1 | 0.2 | 0.0 |
| 10-20 | 3,744 | 6.1 | 16,339 | 480 | 15,859 | 2.9 | 0.8 | 1.0 | 0.1 |
| 20-30 | 4,757 | 7.8 | 26,344 | 1,293 | 25,051 | 4.9 | 1.6 | 1.9 | 0.4 |
| 30-40 | 4,142 | 6.8 | 36,758 | 2,958 | 33,800 | 8.1 | 1.9 | 2.3 | 0.7 |
| 40-50 | 3,865 | 6.3 | 47,359 | 5,067 | 42,292 | 10.7 | 2.3 | 2.6 | 1.2 |
| 50-75 | 9,499 | 15.5 | 66,123 | 9,478 | 56,645 | 14.3 | 7.9 | 8.7 | 5.3 |
| 75-100 | 9,889 | 16.1 | 92,185 | 15,612 | 76,572 | 16.9 | 11.5 | 12.2 | 9.2 |
| 100-200 | 16,942 | 27.6 | 143,802 | 29,714 | 114,088 | 20.7 | 30.8 | 31.1 | 29.8 |
| 200-500 | 4,932 | 8.0 | 299,285 | 71,459 | 227,826 | 23.9 | 18.7 | 18.1 | 20.9 |
| 500-1,000 | 852 | 1.4 | 716,602 | 182,549 | 534,053 | 25.5 | 7.7 | 7.3 | 9.2 |
| More than 1,000 | 427 | 0.7 | 3,123,239 | 911,766 | 2,211,473 | 29.2 | 16.9 | 15.2 | 23.1 |
| All | 61,400 | 100.0 | 128,766 | 27,486 | 101,280 | 21.4 | 100.0 | 100.0 | 100.0 |

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

(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 would limit the rate at which itemized deductions reduce individual income tax liability to 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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
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 | -1.0 | 0.0 | -8.8 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -3.4 | 0.0 | -5.6 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 2.0 | 0.0 | 2.1 |
| 30-40 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 9.6 | 0.0 | 9.5 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 11.4 | 0.0 | 13.8 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 28.2 | 0.0 | 17.2 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 17.5 | 0.0 | 19.8 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 18.6 | 0.0 | 22.6 |
| 200-500 | 0.0 | 2.9 | 0.0 | 2.0 | 25 | 0.0 | 0.0 | 7.3 | 0.0 | 24.1 |
| 500-1,000 | 0.0 | 33.3 | -0.2 | 16.8 | 1,261 | 0.7 | 0.0 | 2.8 | 0.2 | 24.9 |
| More than 1,000 | 0.6 | 64.4 | -0.6 | 81.2 | 12,806 | 1.4 | 0.1 | 7.1 | 0.4 | 30.5 |
| All | 0.0 | 0.1 | 0.0 | 100.0 | 7 | 0.1 | 0.0 | 100.0 | 0.0 | 13.4 |

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 | | | | | Tax Income Percent of Total | Tax Income Percent of Total | Federal Taxes Percent of Total |
| Less than 10 | 2,467 | 9.9 | 6,689 | -587 | 7,276 | -8.8 | 1.6 | 2.0 | -1.0 |
| 10-20 | 5,224 | 21.0 | 15,879 | -896 | 16,775 | -5.6 | 8.0 | 9.8 | -3.4 |
| 20-30 | 4,903 | 19.7 | 26,283 | 557 | 25,726 | 2.1 | 12.4 | 14.0 | 2.0 |
| 30-40 | 3,826 | 15.4 | 36,558 | 3,478 | 33,080 | 9.5 | 13.5 | 14.1 | 9.6 |
| 40-50 | 2,437 | 9.8 | 47,271 | 6,511 | 40,760 | 13.8 | 11.1 | 11.1 | 11.4 |
| 50-75 | 3,581 | 14.4 | 63,957 | 10,969 | 52,988 | 17.2 | 22.1 | 21.1 | 28.2 |
| 75-100 | 1,358 | 5.5 | 90,406 | 17,906 | 72,501 | 19.8 | 11.8 | 11.0 | 17.5 |
| 100-200 | 845 | 3.4 | 135,286 | 30,599 | 104,687 | 22.6 | 11.0 | 9.8 | 18.6 |
| 200-500 | 139 | 0.6 | 302,335 | 72,877 | 229,458 | 24.1 | 4.1 | 3.6 | 7.3 |
| 500-1,000 | 23 | 0.1 | 696,822 | 172,452 | 524,370 | 24.8 | 1.5 | 1.3 | 2.8 |
| More than 1,000 | 11 | 0.0 | 2,985,224 | 896,501 | 2,088,723 | 30.0 | 3.1 | 2.5 | 7.0 |
| All | 24,862 | 100.0 | 41,756 | 5,595 | 36,162 | 13.4 | 100.0 | 100.0 | 100.0 |

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

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(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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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 | -0.3 | 0.0 | -12.3 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -0.9 | 0.0 | -9.4 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -0.1 | 0.0 | -0.6 |
| 30-40 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.5 | 0.0 | 7.7 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 2.4 | 0.0 | 12.4 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.0 | 0.0 | 15.7 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 10.2 | 0.0 | 17.9 |
| 100-200 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | -0.1 | 29.0 | 0.0 | 21.0 |
| 200-500 | 0.1 | 3.4 | 0.0 | 3.3 | 48 | 0.1 | -0.1 | 20.4 | 0.0 | 24.6 |
| 500-1,000 | 0.5 | 32.0 | -0.3 | 15.3 | 1,391 | 0.7 | 0.0 | 8.8 | 0.2 | 27.1 |
| More than 1,000 | 0.3 | 73.4 | -0.7 | 81.4 | 15,680 | 1.6 | 0.3 | 20.8 | 0.5 | 30.8 |
| All | 0.0 | 0.8 | -0.1 | 100.0 | 80 | 0.4 | 0.0 | 100.0 | 0.1 | 20.2 |

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 | | | | | Tax Income Percent of Total | Tax Income Percent of Total | Federal Taxes Percent of Total |
| Less than 10 | 2,972 | 6.0 | 6,433 | -792 | 7,225 | -12.3 | 0.4 | 0.6 | -0.3 |
| 10-20 | 5,814 | 11.8 | 16,048 | -1,508 | 17,556 | -9.4 | 2.0 | 2.7 | -0.9 |
| 20-30 | 5,867 | 11.9 | 26,305 | -155 | 26,461 | -0.6 | 3.3 | 4.1 | -0.1 |
| 30-40 | 4,921 | 10.0 | 36,655 | 2,837 | 33,817 | 7.7 | 3.8 | 4.4 | 1.5 |
| 40-50 | 3,825 | 7.8 | 47,340 | 5,867 | 41,473 | 12.4 | 3.9 | 4.2 | 2.4 |
| 50-75 | 7,471 | 15.2 | 65,217 | 10,205 | 55,011 | 15.7 | 10.4 | 11.0 | 8.1 |
| 75-100 | 5,897 | 12.0 | 91,884 | 16,436 | 75,447 | 17.9 | 11.5 | 11.9 | 10.3 |
| 100-200 | 9,105 | 18.5 | 143,825 | 30,227 | 113,598 | 21.0 | 27.9 | 27.6 | 29.1 |
| 200-500 | 2,642 | 5.4 | 298,516 | 73,252 | 225,264 | 24.5 | 16.8 | 15.9 | 20.5 |
| 500-1,000 | 433 | 0.9 | 715,609 | 192,374 | 523,235 | 26.9 | 6.6 | 6.0 | 8.8 |
| More than 1,000 | 204 | 0.4 | 3,148,106 | 953,277 | 2,194,829 | 30.3 | 13.7 | 11.9 | 20.5 |
| All | 49,293 | 100.0 | 95,214 | 19,170 | 76,045 | 20.1 | 100.0 | 100.0 | 100.0 |

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

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. The proposal would limit the rate at which itemized deductions reduce individual income tax liability to 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 T09-0145
Administration's FY2010 Budget Proposals
Limit Itemized Deductions
Administration Baseline
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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 | 4.4 |
| 10-20 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.6 | 0.0 | 3.0 |
| 20-30 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.2 | 0.0 | 4.0 |
| 30-40 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.2 | 0.0 | 5.1 |
| 40-50 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 1.2 | 0.0 | 6.0 |
| 50-75 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 6.3 | 0.0 | 10.3 |
| 75-100 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.8 | 0.0 | 13.2 |
| 100-200 | 0.0 | 0.1 | 0.0 | 0.2 | 1 | 0.0 | -0.1 | 23.5 | 0.0 | 17.4 |
| 200-500 | 0.2 | 9.2 | -0.1 | 7.0 | 108 | 0.2 | -0.1 | 19.8 | 0.0 | 22.0 |
| 500-1,000 | 0.6 | 19.7 | -0.2 | 9.7 | 822 | 0.5 | 0.0 | 9.9 | 0.1 | 25.5 |
| More than 1,000 | 0.4 | 46.6 | -0.6 | 83.2 | 13,268 | 1.4 | 0.3 | 27.5 | 0.4 | 30.6 |
| All | 0.0 | 0.8 | -0.1 | 100.0 | 68 | 0.5 | 0.0 | 100.0 | 0.1 | 17.4 |

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 | | | | | Tax Income Percent of Total | Tax Income Percent of Total | Federal Taxes Percent of Total |
| Less than 10 | 1,848 | 6.1 | 5,990 | 261 | 5,729 | 4.4 | 0.4 | 0.5 | 0.1 |
| 10-20 | 5,108 | 16.9 | 16,184 | 484 | 15,700 | 3.0 | 3.2 | 3.8 | 0.6 |
| 20-30 | 5,158 | 17.0 | 25,829 | 1,033 | 24,797 | 4.0 | 5.2 | 6.0 | 1.2 |
| 30-40 | 2,815 | 9.3 | 36,231 | 1,856 | 34,375 | 5.1 | 3.9 | 4.5 | 1.2 |
| 40-50 | 1,850 | 6.1 | 47,206 | 2,818 | 44,388 | 6.0 | 3.4 | 3.8 | 1.2 |
| 50-75 | 4,184 | 13.8 | 65,731 | 6,737 | 58,994 | 10.3 | 10.6 | 11.5 | 6.3 |
| 75-100 | 3,301 | 10.9 | 91,141 | 12,014 | 79,127 | 13.2 | 11.6 | 12.2 | 8.8 |
| 100-200 | 4,291 | 14.2 | 142,313 | 24,719 | 117,594 | 17.4 | 23.6 | 23.6 | 23.7 |
| 200-500 | 1,343 | 4.4 | 303,063 | 66,491 | 236,572 | 21.9 | 15.7 | 14.9 | 19.9 |
| 500-1,000 | 244 | 0.8 | 717,151 | 181,694 | 535,458 | 25.3 | 6.8 | 6.1 | 9.9 |
| More than 1,000 | 130 | 0.4 | 3,111,488 | 937,970 | 2,173,518 | 30.2 | 15.7 | 13.2 | 27.2 |
| All | 30,291 | 100.0 | 85,420 | 14,808 | 70,612 | 17.3 | 100.0 | 100.0 | 100.0 |

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

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. The proposal would limit the rate at which itemized deductions reduce individual income tax liability to 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.