

Table T09-0152
Administration's FY2010 Budget Proposals
Make 2009 Estate Tax Law Permanent
Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile, 2012 ¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.1	0	0.0	5.7
Second Quintile	0.0	0.0	0.0	0.1	1	0.0	12.4
Middle Quintile	0.0	0.0	0.0	0.4	2	0.0	18.2
Fourth Quintile	0.0	0.0	0.0	1.3	9	0.0	21.1
Top Quintile	0.0	0.0	-0.4	97.6	785	0.3	27.9
All	0.0	0.0	-0.2	100.0	121	0.2	23.1
Addendum							
80-90	0.0	0.0	0.0	2.0	32	0.0	24.1
90-95	0.0	0.0	-0.1	2.2	71	0.0	25.2
95-99	0.0	0.1	-0.4	21.9	885	0.3	27.2
Top 1 Percent	0.0	0.3	-0.9	71.6	11,488	0.6	32.7
Top 0.1 Percent	0.0	0.5	-1.2	41.6	66,074	0.8	35.5

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

Number of AMT Taxpayers (millions). Baseline: 19.6 Proposal: 19.6

(1) Calendar year. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.4 million; and a deduction for state estate taxes paid.

(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% \$19,957, 40% \$37,919, 60% \$66,635, 80% \$111,847, 90% \$160,851, 95% \$224,521, 99% \$590,626, 99.9% \$2,706,134.

(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 T09-0152
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Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	0.9	0.0	5.7
Second Quintile	0.0	0.0	0.0	0.1	1	0.0	0.0	4.6	0.0	12.4
Middle Quintile	0.0	0.0	0.0	0.4	2	0.0	-0.1	11.0	0.0	18.2
Fourth Quintile	0.0	0.0	0.0	1.3	9	0.1	-0.1	18.3	0.0	21.1
Top Quintile	0.0	0.0	-0.4	97.6	785	1.0	0.2	65.1	0.3	27.9
All	0.0	0.0	-0.2	100.0	121	0.7	0.0	100.0	0.2	23.1
Addendum										
80-90	0.0	0.0	0.0	2.0	32	0.1	-0.1	14.2	0.0	24.1
90-95	0.0	0.0	-0.1	2.2	71	1.0	-0.1	10.2	0.0	25.2
95-99	0.0	0.1	-0.4	21.9	885	1.0	0.0	15.6	0.3	27.2
Top 1 Percent	0.0	0.3	-0.9	71.6	11,488	2.0	0.3	25.0	0.6	32.7
Top 0.1 Percent	0.0	0.5	-1.2	41.6	66,074	2.3	0.2	12.6	0.8	35.5

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-	Share of Post-	Share of	
	Number (thousands)	Percent of Total					Pre-Tax	Tax Income	Federal Taxes	
							Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	39,109	24.9	11,727	668	11,059	5.7	3.7	4.6	0.9	
Second Quintile	35,235	22.4	29,685	3,687	25,998	12.4	8.5	9.7	4.6	
Middle Quintile	31,797	20.2	53,843	9,819	44,024	18.2	14.0	14.8	11.1	
Fourth Quintile	26,816	17.1	91,347	19,301	72,046	21.1	20.0	20.5	18.4	
Top Quintile	23,648	15.0	279,733	77,158	202,575	27.6	54.0	50.8	64.8	
All	157,316	100.0	77,851	17,888	59,963	23.0	100.0	100.0	100.0	
Addendum										
80-90	11,954	7.6	139,760	33,659	106,101	24.1	13.6	13.5	14.3	
90-95	5,808	3.7	197,580	49,773	147,807	25.2	9.4	9.1	10.3	
95-99	4,701	3.0	346,049	93,156	252,893	26.9	13.3	12.6	15.6	
Top 1 Percent	1,185	0.8	1,831,745	586,857	1,244,887	32.0	17.7	15.6	24.7	
Top 0.1 Percent	120	0.1	8,392,568	2,917,003	5,475,565	34.8	8.2	7.0	12.4	

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

Number of AMT Taxpayers (millions). Baseline: 19.6 Proposal: 19.6

(1) Calendar year. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.5 million; and a deduction for state estate taxes paid.

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,957, 40% \$37,919, 60% \$66,635, 80% \$111,847, 90% \$160,851, 95% \$224,521, 99% \$590,626, 99.9% \$2,706,134.

(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 T09-0152
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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.1	0.0	0.3	0.0	2.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.5	0.0	11.2
Middle Quintile	0.0	0.0	0.0	0.1	1	0.0	-0.1	9.0	0.0	17.1
Fourth Quintile	0.0	0.0	0.0	0.4	2	0.0	-0.1	17.7	0.0	20.8
Top Quintile	0.0	0.0	-0.4	98.9	621	1.0	0.2	69.4	0.3	27.5
All	0.0	0.0	-0.2	100.0	121	0.7	0.0	100.0	0.2	23.1
Addendum										
80-90	0.0	0.0	0.0	0.9	12	0.0	-0.1	15.3	0.0	23.7
90-95	0.0	0.0	0.0	1.4	36	0.1	-0.1	11.5	0.0	25.2
95-99	0.0	0.1	-0.2	10.8	344	0.4	0.0	16.7	0.1	26.9
Top 1 Percent	0.0	0.4	-1.1	85.7	11,386	2.3	0.4	26.0	0.7	32.4
Top 0.1 Percent	0.0	0.6	-1.3	48.4	64,959	2.5	0.2	13.1	0.9	35.4

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	32,338	20.6	10,962	267	10,695	2.4	2.9	3.7	0.3
Second Quintile	32,399	20.6	27,043	3,031	24,012	11.2	7.2	8.3	3.5
Middle Quintile	31,437	20.0	47,482	8,108	39,374	17.1	12.2	13.1	9.1
Fourth Quintile	30,153	19.2	79,882	16,602	63,280	20.8	19.7	20.2	17.8
Top Quintile	30,278	19.3	236,122	64,341	171,780	27.3	58.4	55.1	69.2
All	157,316	100.0	77,851	17,888	59,963	23.0	100.0	100.0	100.0
Addendum									
80-90	15,269	9.7	119,425	28,276	91,150	23.7	14.9	14.8	15.3
90-95	7,622	4.9	168,851	42,507	126,345	25.2	10.5	10.2	11.5
95-99	5,955	3.8	296,127	79,189	216,938	26.7	14.4	13.7	16.8
Top 1 Percent	1,432	0.9	1,589,334	503,498	1,085,837	31.7	18.6	16.5	25.6
Top 0.1 Percent	142	0.1	7,406,757	2,554,565	4,852,192	34.5	8.6	7.3	12.9

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

Number of AMT Taxpayers (millions). Baseline: 19.6 Proposal: 19.6

(1) Calendar year. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.5 million; and a deduction for state estate taxes paid.

(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% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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.

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Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.1	0.0	1.6	0.0	8.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	5.7	0.0	12.1
Middle Quintile	0.0	0.0	0.0	0.2	2	0.0	-0.3	13.0	0.0	17.7
Fourth Quintile	0.0	0.0	0.0	0.4	5	0.0	-0.5	20.9	0.0	21.6
Top Quintile	0.0	0.1	-1.4	99.0	1,581	3.9	0.9	58.7	1.0	27.7
All	0.0	0.0	-0.6	100.0	222	2.3	0.0	100.0	0.5	22.4
Addendum										
80-90	0.0	0.0	-0.1	1.0	31	0.2	-0.3	15.4	0.0	24.5
90-95	0.0	0.0	-0.1	1.4	91	0.3	-0.2	10.7	0.1	25.8
95-99	0.0	0.2	-0.7	11.7	1,016	1.9	-0.1	13.8	0.5	26.4
Top 1 Percent	0.0	0.9	-4.9	84.9	35,774	11.0	1.5	18.8	3.4	34.0
Top 0.1 Percent	0.0	1.4	-6.2	44.1	214,816	11.8	0.8	9.2	4.1	38.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-	Share of Post-	Share of	
	Number (thousands)	Percent of Total					Pre-Tax	Post-Tax	Federal Taxes	
							Income	Income	Federal Taxes	
Lowest Quintile	16,855	24.6	8,088	673	7,415	8.3	4.4	5.2	1.7	
Second Quintile	15,642	22.8	20,751	2,517	18,233	12.1	10.5	11.8	5.8	
Middle Quintile	14,507	21.2	35,163	6,214	28,950	17.7	16.5	17.4	13.3	
Fourth Quintile	11,601	16.9	57,652	12,467	45,185	21.6	21.6	21.7	21.3	
Top Quintile	9,540	13.9	153,955	41,031	112,925	26.7	47.4	44.5	57.8	
All	68,506	100.0	45,237	9,892	35,345	21.9	100.0	100.0	100.0	
Addendum										
80-90	5,053	7.4	86,100	21,033	65,067	24.4	14.0	13.6	15.7	
90-95	2,377	3.5	121,430	31,201	90,229	25.7	9.3	8.9	10.9	
95-99	1,749	2.6	207,161	53,688	153,473	25.9	11.7	11.1	13.9	
Top 1 Percent	362	0.5	1,058,983	323,977	735,006	30.6	12.4	11.0	17.3	
Top 0.1 Percent	31	0.1	5,306,728	1,824,136	3,482,592	34.4	5.4	4.5	8.4	

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

(1) Calendar year. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.5 million; and a deduction for state estate taxes paid.

(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) 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% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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.

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Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.1	0	0.1	0.0	0.2	0.0	3.3
Second Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	1.8	0.0	11.3
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	5.9	0.0	16.2
Fourth Quintile	0.0	0.0	0.0	0.4	1	0.0	0.0	15.7	0.0	20.2
Top Quintile	0.0	0.0	-0.1	98.3	171	0.2	0.0	76.4	0.1	27.4
All	0.0	0.0	-0.1	100.0	54	0.2	0.0	100.0	0.0	24.3
Addendum										
80-90	0.0	0.0	0.0	0.4	1	0.0	0.0	15.5	0.0	23.3
90-95	0.0	0.0	0.0	1.6	11	0.0	0.0	12.4	0.0	25.0
95-99	0.0	0.0	0.0	6.2	52	0.1	0.0	18.8	0.0	27.0
Top 1 Percent	0.0	0.2	-0.3	90.1	2,959	0.5	0.1	29.6	0.2	32.0
Top 0.1 Percent	0.0	0.4	-0.4	66.0	21,459	0.8	0.1	14.7	0.3	34.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-	Share of Post-	Share of	
	Number (thousands)	Percent of Total					Pre-Tax	Tax Income	Federal Taxes	
							Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	6,836	11.1	14,389	476	13,914	3.3	1.2	1.6	0.2	
Second Quintile	8,755	14.3	34,618	3,919	30,699	11.3	3.8	4.5	1.8	
Middle Quintile	11,214	18.3	62,026	10,073	51,953	16.2	8.8	9.7	5.9	
Fourth Quintile	15,212	24.8	97,768	19,778	77,990	20.2	18.8	19.8	15.7	
Top Quintile	19,110	31.1	279,599	76,533	203,066	27.4	67.6	64.8	76.3	
All	61,400	100.0	128,766	31,213	97,553	24.2	100.0	100.0	100.0	
Addendum										
80-90	9,202	15.0	138,970	32,418	106,552	23.3	16.2	16.4	15.6	
90-95	4,942	8.1	192,850	48,200	144,650	25.0	12.1	11.9	12.4	
95-99	3,955	6.4	337,574	91,168	246,406	27.0	16.9	16.3	18.8	
Top 1 Percent	1,011	1.7	1,756,500	559,197	1,197,302	31.8	22.5	20.2	29.5	
Top 0.1 Percent	102	0.2	7,937,859	2,738,495	5,199,364	34.5	10.2	8.9	14.6	

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

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(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.

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Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-3.9	0.0	-5.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	13.7	0.0	9.5
Middle Quintile	0.0	0.0	0.0	0.2	0	0.0	-0.1	27.8	0.0	17.7
Fourth Quintile	0.0	0.0	0.0	1.4	2	0.0	-0.1	28.0	0.0	21.5
Top Quintile	0.0	0.0	-0.2	97.8	269	0.6	0.1	34.4	0.2	26.5
All	0.0	0.0	0.0	100.0	13	0.2	0.0	100.0	0.0	15.8
Addendum										
80-90	0.0	0.0	0.0	3.4	15	0.1	0.0	12.7	0.0	24.5
90-95	0.0	0.0	0.0	0.5	8	0.0	0.0	5.1	0.0	25.3
95-99	0.0	0.0	-0.2	20.2	379	0.5	0.0	7.2	0.1	25.1
Top 1 Percent	0.0	0.2	-0.7	73.7	7,187	1.6	0.1	9.3	0.5	32.4
Top 0.1 Percent	0.0	0.3	-1.2	51.2	56,056	2.3	0.1	4.3	0.8	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	
Lowest Quintile	8,355	33.6	13,999	-761	14,759	-5.4	11.3	14.1	-3.9	
Second Quintile	7,578	30.5	31,423	2,978	28,445	9.5	22.9	24.7	13.8	
Middle Quintile	5,002	20.1	51,564	9,118	42,447	17.7	24.8	24.3	27.8	
Fourth Quintile	2,726	11.0	78,373	16,842	61,530	21.5	20.6	19.2	28.0	
Top Quintile	1,153	4.6	184,854	48,685	136,169	26.3	20.5	18.0	34.2	
All	24,862	100.0	41,756	6,595	35,162	15.8	100.0	100.0	100.0	
Addendum										
80-90	740	3.0	115,411	28,247	87,164	24.5	8.2	7.4	12.8	
90-95	211	0.9	158,521	40,011	118,510	25.2	3.2	2.9	5.2	
95-99	169	0.7	280,025	69,786	210,239	24.9	4.6	4.1	7.2	
Top 1 Percent	32	0.1	1,444,013	461,183	982,830	31.9	4.5	3.7	9.1	
Top 0.1 Percent	3	0.0	6,993,121	2,406,705	4,586,415	34.4	2.0	1.5	4.3	

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

(1) Calendar year. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.5 million; and a deduction for state estate taxes paid.

(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% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0152
Administration's FY2010 Budget Proposals
Make 2009 Estate Tax Law Permanent
Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	-0.9	0.0	-6.2
Second Quintile	0.0	0.0	0.0	0.2	0	0.0	0.0	3.6	0.0	10.5
Middle Quintile	0.0	0.0	0.0	0.4	0	0.0	0.0	11.1	0.0	18.3
Fourth Quintile	0.0	0.0	0.0	1.1	1	0.0	0.0	20.7	0.0	22.3
Top Quintile	0.0	0.0	0.0	95.8	76	0.1	0.0	65.4	0.0	28.9
All	0.0	0.0	0.0	100.0	13	0.1	0.0	100.0	0.0	23.4
Addendum										
80-90	0.0	0.0	0.0	1.8	3	0.0	0.0	15.0	0.0	25.1
90-95	0.0	0.0	0.0	1.3	4	0.0	0.0	10.2	0.0	26.1
95-99	0.0	0.0	0.0	11.0	45	0.0	0.0	15.9	0.0	28.4
Top 1 Percent	0.0	0.0	-0.1	81.7	1,349	0.2	0.0	24.3	0.1	33.8
Top 0.1 Percent	0.0	0.1	-0.2	58.5	9,947	0.3	0.0	11.7	0.1	35.7

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	10,815	21.9	15,090	-935	16,025	-6.2	3.5	4.8	-0.9
Second Quintile	10,484	21.3	35,679	3,740	31,939	10.5	8.0	9.3	3.6
Middle Quintile	10,353	21.0	64,150	11,752	52,398	18.3	14.2	15.1	11.1
Fourth Quintile	9,644	19.6	105,690	23,551	82,140	22.3	21.7	22.0	20.7
Top Quintile	7,855	15.9	316,419	91,241	225,178	28.8	53.0	49.2	65.4
All	49,293	100.0	95,214	22,234	72,981	23.4	100.0	100.0	100.0
Addendum									
80-90	4,070	8.3	160,563	40,329	120,235	25.1	13.9	13.6	15.0
90-95	1,884	3.8	227,342	59,403	167,939	26.1	9.1	8.8	10.2
95-99	1,523	3.1	403,939	114,646	289,293	28.4	13.1	12.3	15.9
Top 1 Percent	378	0.8	2,087,355	704,321	1,383,034	33.7	16.8	14.5	24.3
Top 0.1 Percent	37	0.1	9,762,184	3,473,494	6,288,690	35.6	7.6	6.4	11.6

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. Baseline is current law plus repeal of the estate tax. The proposal would reinstate the estate tax with a rate of 45 percent; an effective exclusion of \$3.5 million; and a deduction for state estate taxes paid.

(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) 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% \$13,636, 40% \$25,075, 60% \$42,597, 80% \$68,949, 90% \$98,059, 95% \$138,184, 99% \$356,154, 99.9% \$1,639,811.

(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 T09-0152
Administration's FY2010 Budget Proposals
Make 2009 Estate Tax Law Permanent
Baseline: Current Law Plus Repeal of the Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	2	0.4	0.0	0.3	0.0	3.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	1.6	0.0	4.6
Middle Quintile	0.0	0.0	0.0	0.0	1	0.0	-0.1	2.5	0.0	5.6
Fourth Quintile	0.0	0.0	0.0	0.3	8	0.1	-0.3	10.6	0.0	12.6
Top Quintile	0.0	0.1	-1.2	99.4	2,101	3.7	0.5	84.9	0.9	25.1
All	0.0	0.0	-0.7	100.0	515	3.2	0.0	100.0	0.6	19.6
Addendum										
80-90	0.0	0.0	-0.1	1.1	49	0.3	-0.4	13.2	0.0	17.8
90-95	0.0	0.0	-0.1	1.5	126	0.4	-0.3	11.8	0.1	21.1
95-99	0.0	0.2	-0.5	11.2	1,038	1.6	-0.3	21.5	0.4	24.3
Top 1 Percent	0.0	1.0	-3.2	85.7	30,759	7.4	1.5	38.4	2.2	32.2
Top 0.1 Percent	0.0	1.6	-4.0	46.6	173,561	8.0	0.9	19.3	2.7	35.9

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	4,167	13.8	10,783	374	10,408	3.5	1.7	2.1	0.3
Second Quintile	7,540	24.9	23,370	1,073	22,297	4.6	6.8	8.0	1.6
Middle Quintile	5,432	17.9	41,368	2,329	39,039	5.6	8.7	10.1	2.6
Fourth Quintile	5,756	19.0	74,513	9,350	65,163	12.6	16.6	17.9	10.9
Top Quintile	7,378	24.4	232,411	56,305	176,107	24.2	66.3	62.0	84.5
All	30,291	100.0	85,420	16,236	69,184	19.0	100.0	100.0	100.0
Addendum									
80-90	3,435	11.3	109,456	19,430	90,025	17.8	14.5	14.8	13.6
90-95	1,827	6.0	155,369	32,620	122,748	21.0	11.0	10.7	12.1
95-99	1,681	5.6	267,378	63,867	203,511	23.9	17.4	16.3	21.8
Top 1 Percent	434	1.4	1,393,711	418,335	975,375	30.0	23.4	20.2	36.9
Top 0.1 Percent	42	0.1	6,524,092	2,169,320	4,354,771	33.3	10.6	8.7	18.5

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.

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