

T09-0191
Income Subject to Tax and Effective Marginal Tax Rates
in the Regular Income Tax and the AMT Among AMT Taxpayers, Current Law¹

2009

Cash Income Class (thousands of 2009\$) ²	Percent With More Income Subject to Tax In ³		Average Adjustments and Preferences ⁴	Percent With a Higher Marginal Tax Rate In ⁵		Average Effective Marginal Tax Rate (percent) ⁶	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
Less than 30	0.0	100.0	1,193,238	2.3	97.7	-5.5	16.9
30-50	69.4	30.7	268,339	0.9	99.1	0.6	15.9
50-75	80.8	19.3	58,296	0.0	99.7	16.3	26.9
75-100	93.2	6.8	43,361	7.7	91.3	24.0	31.6
100-200	94.4	5.6	36,829	3.0	93.7	24.3	29.4
200-500	62.0	38.0	37,570	12.6	86.9	30.2	33.9
500-1,000	7.6	92.4	60,390	62.8	36.7	31.6	30.2
More than 1,000	7.5	92.5	246,376	64.4	34.5	28.2	27.8
All	58.3	41.7	50,906	20.1	78.9	29.1	32.2

2010

Cash Income Class (thousands of 2009\$) ²	Percent With More Income Subject to Tax In ³		Average Adjustments and Preferences ⁴	Percent With a Higher Marginal Tax Rate In ⁵		Average Effective Marginal Tax Rate (percent) ⁶	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
Less than 30	63.4	36.6	230,384	0.6	99.4	3.8	22.6
30-50	90.4	9.6	17,575	0.0	97.0	16.3	25.8
50-75	97.7	2.3	18,289	1.6	94.9	17.6	24.2
75-100	98.9	1.1	18,783	0.9	93.4	18.1	25.2
100-200	97.9	2.1	20,770	4.2	92.4	24.1	28.0
200-500	53.8	46.2	29,715	11.5	87.2	28.4	32.8
500-1,000	12.4	87.6	56,296	62.9	32.3	30.2	28.6
More than 1,000	10.5	89.5	219,385	54.5	35.7	27.6	27.6
All	89.1	10.9	23,629	5.8	90.4	22.7	27.6

2011

Cash Income Class (thousands of 2009\$) ²	Percent With More Income Subject to Tax In ³		Average Adjustments and Preferences ⁴	Percent With a Higher Marginal Tax Rate In ⁵		Average Effective Marginal Tax Rate (percent) ⁶	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
Less than 30	85.1	14.9	91,933	0.1	99.4	12.5	25.7
30-50	94.4	5.6	20,851	1.5	97.7	18.8	29.9
50-75	96.7	3.3	20,188	16.0	81.9	18.1	25.2
(4) Taxpayers are defined	98.1	1.9	22,085	31.5	67.3	20.6	26.2
100-200	94.9	5.1	26,882	71.7	27.9	28.3	27.2
200-500	45.7	54.3	35,188	44.0	55.8	33.3	32.9
500-1,000	13.3	86.7	67,167	75.4	24.5	32.6	29.6
More than 1,000	12.3	87.7	312,170	69.8	29.1	30.9	28.7
All	85.9	14.1	28,540	47.5	51.7	25.7	27.7

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

(1) AMT taxpayers include those with AMT liability from Form 6251, with lost credits, and with reduced deductions.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. Includes both filing and non-filing units but excludes those that are dependents of other taxpayers. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Income subject to tax for the regular income tax is taxable income; for the AMT it is AMTI net of the AMT exemption.

(4) Amounts are in nominal dollars to facilitate comparison with AMT exemption amounts. For 2009, the AMT exemption is \$70,950 for married couples filing jointly and surviving spouses; \$46,700 for unmarried individuals other than surviving spouses; and \$33,125 for married individuals filing separately. For 2010 and 2011, the exemption amounts are \$45,000, \$33,750, and \$22,500.

(5) The marginal tax rate for each return is calculated by adding \$1,000 to wages, recomputing income tax net of refundable credits, and dividing the resulting change in tax liability by 1,000.

(6) Marginal tax rates represent a simple average across individuals.