

**Table T09-0354**  
**Tax Units with a Change in Effective Marginal Individual Income Tax Rates (EMTR)**  
**Health Surcharge versus Current Law**  
**Distribution by Cash Income Level, 2011<sup>1</sup>**

Cash Income Class (thousands of 2009 dollars) <sup>2</sup>	Tax Units (thousands) <sup>3</sup>	Percent of Tax Units With <sup>4</sup>			
		No Earnings	Increase in EMTR	No Change in EMTR	Decrease in EMTR
Less than 10	19,365	30.3	0.0	69.7	0.0
10-20	25,638	32.9	0.0	67.1	0.0
20-30	20,296	23.7	0.0	76.3	0.0
30-40	16,048	17.6	0.0	82.4	0.0
40-50	12,383	14.0	0.0	86.0	0.0
50-75	20,376	13.5	0.0	86.5	0.0
75-100	14,775	10.0	0.0	90.0	0.0
100-200	18,569	9.5	0.0	90.5	0.0
200-500	5,323	9.9	17.1	73.0	0.0
500-1,000	961	13.6	71.7	14.6	0.1
More than 1,000	449	12.8	79.1	8.0	0.1
All	155,368	20.0	1.3	78.7	0.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-2).

(1) Calendar year. Baseline is current law. Proposal is the surcharge on high income individuals described in America's Affordable Health Choices Act of 2009. Tax units pay a 1 percent tax on modified AGI between \$350,000 and \$500,000 for couples (\$280,000 and \$400,000 for others), a 1.5 percent tax on modified AGI between \$500,000 and \$1,000,000 for couples (\$400,000 and \$800,000 for others), and a 5.4 percent tax on modified AGI exceeding \$1,000,000 (\$800,000 for others). Modified AGI is AGI less any deduction for investment interest. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000.

(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) Tax units with no earnings (defined as wages and salaries plus self-employment income) are not included in the higher, lower, and same columns.