

**Table T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	99.8	0.2	5.5	NA	-614	-5.2	-0.2
Second Quintile	96.9	3.1	2.4	NA	-631	-2.1	8.4
Middle Quintile	84.6	15.4	1.0	NA	-449	-0.8	15.6
Fourth Quintile	67.1	32.9	0.0	NA	14	0.0	18.9
Top Quintile	31.5	68.4	-1.2	NA	2,610	0.9	25.7
All	80.2	19.8	0.0	NA	6	0.0	20.6
<b>Addendum</b>							
80-90	40.0	60.0	-1.1	NA	1,205	0.9	22.2
90-95	26.0	74.0	-1.7	NA	2,540	1.3	23.8
95-99	20.5	79.5	-1.8	NA	4,714	1.4	25.9
Top 1 Percent	17.1	82.9	-0.7	NA	8,783	0.5	29.3
Top 0.1 Percent	11.2	88.8	-0.3	NA	17,002	0.2	31.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 5.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
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**Distribution of Federal Tax Change by Cash Income Percentile, 2012 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	99.8	0.2	5.5	NA	-614	-104.6	-1.0	0.0	-5.2	-0.2
<b>Second Quintile</b>	96.9	3.1	2.4	NA	-631	-20.3	-0.9	3.5	-2.1	8.4
<b>Middle Quintile</b>	84.6	15.4	1.0	NA	-449	-5.1	-0.6	10.6	-0.8	15.6
<b>Fourth Quintile</b>	67.1	32.9	0.0	NA	14	0.1	0.0	18.4	0.0	18.9
<b>Top Quintile</b>	31.5	68.4	-1.2	NA	2,610	3.8	2.4	67.5	0.9	25.7
<b>All</b>	80.2	19.8	0.0	NA	6	0.0	0.0	100.0	0.0	20.6
<b>Addendum</b>										
<b>80-90</b>	40.0	60.0	-1.1	NA	1,205	4.1	0.6	14.7	0.9	22.2
<b>90-95</b>	26.0	74.0	-1.7	NA	2,540	5.7	0.6	10.8	1.3	23.8
<b>95-99</b>	20.5	79.5	-1.8	NA	4,714	5.6	0.9	16.7	1.4	25.9
<b>Top 1 Percent</b>	17.1	82.9	-0.7	NA	8,783	1.7	0.4	25.2	0.5	29.3
<b>Top 0.1 Percent</b>	11.2	88.8	-0.3	NA	17,002	0.7	0.1	12.5	0.2	31.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	39,109	24.9	11,727	587	11,140	5.0	3.7	4.5	0.9
<b>Second Quintile</b>	35,235	22.4	29,685	3,109	26,575	10.5	8.5	9.6	4.4
<b>Middle Quintile</b>	31,797	20.2	53,843	8,856	44,986	16.5	14.0	14.7	11.2
<b>Fourth Quintile</b>	26,816	17.1	91,347	17,256	74,091	18.9	20.0	20.4	18.4
<b>Top Quintile</b>	23,648	15.0	279,733	69,292	210,441	24.8	54.0	51.2	65.1
<b>All</b>	157,316	100.0	77,851	16,013	61,838	20.6	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	11,954	7.6	139,760	29,760	110,000	21.3	13.6	13.5	14.1
<b>90-95</b>	5,808	3.7	197,580	44,510	153,070	22.5	9.4	9.1	10.3
<b>95-99</b>	4,701	3.0	346,049	85,001	261,048	24.6	13.3	12.6	15.9
<b>Top 1 Percent</b>	1,185	0.8	1,831,745	527,346	1,304,399	28.8	17.7	15.9	24.8
<b>Top 0.1 Percent</b>	120	0.1	8,392,568	2,614,539	5,778,029	31.2	8.2	7.1	12.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 5.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	6.4	NA	-696	-536.9	-0.9	-0.7	-6.4	-5.2
<b>Second Quintile</b>	98.2	1.8	2.8	NA	-680	-28.4	-0.9	2.2	-2.5	6.3
<b>Middle Quintile</b>	90.1	9.9	1.3	NA	-531	-7.4	-0.7	8.3	-1.1	14.0
<b>Fourth Quintile</b>	70.7	29.3	0.1	NA	-37	-0.3	-0.1	17.7	-0.1	18.6
<b>Top Quintile</b>	38.8	61.2	-1.2	NA	2,111	3.6	2.5	72.4	0.9	25.5
<b>All</b>	80.2	19.8	0.0	NA	6	0.0	0.0	100.0	0.0	20.6
<b>Addendum</b>										
<b>80-90</b>	47.2	52.8	-1.0	NA	965	3.8	0.6	16.0	0.8	22.1
<b>90-95</b>	34.8	65.2	-1.5	NA	2,008	5.2	0.6	12.2	1.2	23.9
<b>95-99</b>	26.7	73.3	-1.7	NA	3,852	5.4	0.9	17.9	1.3	25.6
<b>Top 1 Percent</b>	20.2	79.8	-0.7	NA	7,640	1.7	0.4	26.3	0.5	29.1
<b>Top 0.1 Percent</b>	13.0	87.0	-0.3	NA	15,325	0.7	0.1	13.0	0.2	31.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	32,338	20.6	10,962	130	10,832	1.2	2.9	3.6	0.2
<b>Second Quintile</b>	32,399	20.6	27,043	2,393	24,650	8.9	7.2	8.2	3.1
<b>Middle Quintile</b>	31,437	20.0	47,482	7,171	40,310	15.1	12.2	13.0	9.0
<b>Fourth Quintile</b>	30,153	19.2	79,882	14,862	65,019	18.6	19.7	20.2	17.8
<b>Top Quintile</b>	30,278	19.3	236,122	58,134	177,988	24.6	58.4	55.4	69.9
<b>All</b>	157,316	100.0	77,851	16,013	61,838	20.6	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	15,269	9.7	119,425	25,442	93,984	21.3	14.9	14.8	15.4
<b>90-95</b>	7,622	4.9	168,851	38,328	130,524	22.7	10.5	10.2	11.6
<b>95-99</b>	5,955	3.8	296,127	71,952	224,175	24.3	14.4	13.7	17.0
<b>Top 1 Percent</b>	1,432	0.9	1,589,334	454,787	1,134,548	28.6	18.6	16.7	25.9
<b>Top 0.1 Percent</b>	142	0.1	7,406,757	2,297,984	5,108,773	31.0	8.6	7.4	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 5.2

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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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**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	6.7	88.4	-499	-76.7	-1.3	0.4	-6.2	1.9
<b>Second Quintile</b>	98.0	2.0	2.5	74.8	-455	-20.0	-1.0	4.5	-2.2	8.8
<b>Middle Quintile</b>	93.3	6.7	1.3	57.5	-377	-6.5	-0.7	12.5	-1.1	15.5
<b>Fourth Quintile</b>	75.4	24.6	0.1	4.3	-36	-0.3	0.3	21.6	-0.1	20.4
<b>Top Quintile</b>	49.0	51.0	-1.1	-126.8	1,266	3.2	2.8	60.9	0.8	26.2
<b>All</b>	86.9	13.1	0.4	100.0	-139	-1.5	0.0	100.0	-0.3	20.4
<b>Addendum</b>										
<b>80-90</b>	55.2	44.9	-1.0	-34.7	654	3.3	0.8	16.3	0.8	23.7
<b>90-95</b>	45.8	54.1	-1.4	-31.6	1,266	4.4	0.6	11.4	1.0	24.9
<b>95-99</b>	39.5	60.5	-1.5	-42.7	2,327	4.6	0.9	14.5	1.1	25.3
<b>Top 1 Percent</b>	29.7	70.3	-0.6	-17.8	4,685	1.5	0.5	18.7	0.4	31.0
<b>Top 0.1 Percent</b>	21.1	78.9	-0.3	-3.5	10,581	0.6	0.2	9.0	0.2	34.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	16,855	24.6	8,088	651	7,437	8.1	4.4	5.1	1.7
<b>Second Quintile</b>	15,642	22.8	20,751	2,282	18,468	11.0	10.5	11.8	5.6
<b>Middle Quintile</b>	14,507	21.2	35,163	5,841	29,322	16.6	16.5	17.3	13.2
<b>Fourth Quintile</b>	11,601	16.9	57,652	11,816	45,836	20.5	21.6	21.7	21.3
<b>Top Quintile</b>	9,540	13.9	153,955	39,127	114,828	25.4	47.4	44.6	58.1
<b>All</b>	68,506	100.0	45,237	9,380	35,857	20.7	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	5,053	7.4	86,100	19,716	66,384	22.9	14.0	13.7	15.5
<b>90-95</b>	2,377	3.5	121,430	29,018	92,411	23.9	9.3	8.9	10.7
<b>95-99</b>	1,749	2.6	207,161	50,178	156,983	24.2	11.7	11.2	13.7
<b>Top 1 Percent</b>	362	0.5	1,058,983	323,474	735,509	30.6	12.4	10.8	18.2
<b>Top 0.1 Percent</b>	31	0.1	5,306,728	1,815,167	3,491,562	34.2	5.4	4.4	8.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	7.8	-39.0	-1,116	-814.8	-0.5	-0.4	-7.8	-6.8
<b>Second Quintile</b>	99.3	0.8	3.4	-48.3	-1,080	-37.5	-0.6	0.9	-3.1	5.2
<b>Middle Quintile</b>	89.1	10.9	1.5	-46.3	-807	-9.4	-0.6	5.1	-1.3	12.5
<b>Fourth Quintile</b>	69.8	30.2	0.2	-10.2	-131	-0.8	-0.3	15.2	-0.1	17.5
<b>Top Quintile</b>	34.0	66.0	-1.2	245.4	2,512	3.7	1.9	79.0	0.9	25.3
<b>All</b>	69.8	30.1	-0.3	100.0	319	1.2	0.0	100.0	0.3	21.6
<b>Addendum</b>										
<b>80-90</b>	43.6	56.4	-1.0	50.8	1,080	3.8	0.4	16.0	0.8	21.4
<b>90-95</b>	29.6	70.4	-1.6	59.0	2,336	5.4	0.5	13.1	1.2	23.5
<b>95-99</b>	21.3	78.7	-1.8	90.8	4,492	5.5	0.8	20.1	1.3	25.7
<b>Top 1 Percent</b>	17.0	83.0	-0.7	44.7	8,654	1.8	0.2	29.8	0.5	28.6
<b>Top 0.1 Percent</b>	10.3	89.7	-0.3	8.7	16,661	0.7	-0.1	14.5	0.2	30.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	6,836	11.1	14,389	137	14,252	1.0	1.2	1.6	0.1
<b>Second Quintile</b>	8,755	14.3	34,618	2,882	31,736	8.3	3.8	4.5	1.5
<b>Middle Quintile</b>	11,214	18.3	62,026	8,568	53,458	13.8	8.8	9.6	5.7
<b>Fourth Quintile</b>	15,212	24.8	97,768	17,190	80,578	17.6	18.8	19.7	15.5
<b>Top Quintile</b>	19,110	31.1	279,599	68,093	211,506	24.4	67.6	65.0	77.1
<b>All</b>	61,400	100.0	128,766	27,484	101,282	21.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	9,202	15.0	138,970	28,682	110,288	20.6	16.2	16.3	15.6
<b>90-95</b>	4,942	8.1	192,850	43,001	149,849	22.3	12.1	11.9	12.6
<b>95-99</b>	3,955	6.4	337,574	82,150	255,424	24.3	16.9	16.2	19.3
<b>Top 1 Percent</b>	1,011	1.7	1,756,500	494,364	1,262,135	28.1	22.5	20.5	29.6
<b>Top 0.1 Percent</b>	102	0.2	7,937,859	2,411,526	5,526,333	30.4	10.2	9.1	14.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	5.1	64.2	-755	78.2	-5.3	-11.1	-5.4	-12.3
<b>Second Quintile</b>	97.5	2.5	2.4	53.5	-694	-35.2	-3.3	7.5	-2.2	4.1
<b>Middle Quintile</b>	84.1	15.9	0.9	20.8	-409	-5.2	0.6	28.7	-0.8	14.4
<b>Fourth Quintile</b>	58.5	41.5	-0.6	-10.5	377	2.5	3.1	32.8	0.5	19.9
<b>Top Quintile</b>	35.2	64.8	-1.7	-28.4	2,423	5.4	5.0	42.1	1.3	25.5
<b>All</b>	88.5	11.5	1.1	100.0	-395	-7.1	0.0	100.0	-1.0	12.5
<b>Addendum</b>										
<b>80-90</b>	42.1	57.9	-1.7	-11.2	1,492	5.7	1.9	15.8	1.3	23.9
<b>90-95</b>	27.7	72.3	-2.3	-6.1	2,815	7.6	0.9	6.5	1.8	25.1
<b>95-99</b>	18.5	81.5	-2.3	-8.4	4,871	7.5	1.2	9.1	1.7	25.0
<b>Top 1 Percent</b>	14.4	85.7	-0.8	-2.8	8,366	2.0	1.0	10.7	0.6	29.4
<b>Top 0.1 Percent</b>	14.9	85.1	-0.3	-0.5	15,782	0.7	0.4	4.9	0.2	31.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	8,355	33.6	13,999	-966	14,965	-6.9	11.3	13.9	-5.8
<b>Second Quintile</b>	7,578	30.5	31,423	1,975	29,448	6.3	22.9	24.8	10.8
<b>Middle Quintile</b>	5,002	20.1	51,564	7,834	43,731	15.2	24.8	24.3	28.2
<b>Fourth Quintile</b>	2,726	11.0	78,373	15,182	63,190	19.4	20.6	19.2	29.7
<b>Top Quintile</b>	1,153	4.6	184,854	44,765	140,089	24.2	20.5	18.0	37.1
<b>All</b>	24,862	100.0	41,756	5,598	36,159	13.4	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	740	3.0	115,411	26,060	89,351	22.6	8.2	7.4	13.9
<b>90-95</b>	211	0.9	158,521	36,924	121,597	23.3	3.2	2.9	5.6
<b>95-99</b>	169	0.7	280,025	65,094	214,931	23.3	4.6	4.0	7.9
<b>Top 1 Percent</b>	32	0.1	1,444,013	416,368	1,027,645	28.8	4.5	3.7	9.7
<b>Top 0.1 Percent</b>	3	0.0	6,993,121	2,173,021	4,820,100	31.1	2.0	1.6	4.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	5.7	-124.5	-941	72.3	-1.1	-2.5	-6.2	-14.9
<b>Second Quintile</b>	97.9	2.1	2.8	-119.4	-931	-40.3	-1.1	1.5	-2.6	3.9
<b>Middle Quintile</b>	83.3	16.7	1.2	-80.6	-636	-6.5	-0.8	10.0	-1.0	14.3
<b>Fourth Quintile</b>	54.4	45.6	-0.4	40.0	339	1.7	0.2	20.7	0.3	19.3
<b>Top Quintile</b>	18.2	81.8	-1.7	386.7	4,025	5.0	2.7	70.2	1.3	26.9
<b>All</b>	74.1	25.9	-0.2	100.0	166	0.9	0.0	100.0	0.2	20.3
<b>Addendum</b>										
<b>80-90</b>	23.4	76.6	-1.8	112.3	2,255	6.3	0.8	16.2	1.4	23.7
<b>90-95</b>	14.9	85.1	-2.3	94.2	4,087	7.7	0.7	11.3	1.8	25.1
<b>95-99</b>	10.1	89.9	-2.3	125.8	6,755	6.5	0.9	17.8	1.7	27.5
<b>Top 1 Percent</b>	10.6	89.4	-0.8	54.4	11,771	1.9	0.3	25.0	0.6	30.2
<b>Top 0.1 Percent</b>	8.5	91.5	-0.3	9.3	20,755	0.7	0.0	11.8	0.2	31.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	10,815	21.9	15,090	-1,302	16,391	-8.6	3.5	4.7	-1.5
<b>Second Quintile</b>	10,484	21.3	35,679	2,312	33,367	6.5	8.0	9.3	2.6
<b>Middle Quintile</b>	10,353	21.0	64,150	9,825	54,325	15.3	14.2	15.0	10.8
<b>Fourth Quintile</b>	9,644	19.6	105,690	20,107	85,584	19.0	21.7	22.0	20.5
<b>Top Quintile</b>	7,855	15.9	316,419	81,191	235,228	25.7	53.0	49.3	67.5
<b>All</b>	49,293	100.0	95,214	19,168	76,046	20.1	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	4,070	8.3	160,563	35,769	124,795	22.3	13.9	13.6	15.4
<b>90-95</b>	1,884	3.8	227,342	52,936	174,407	23.3	9.1	8.8	10.6
<b>95-99</b>	1,523	3.1	403,939	104,290	299,649	25.8	13.1	12.2	16.8
<b>Top 1 Percent</b>	378	0.8	2,087,355	618,457	1,468,898	29.6	16.8	14.8	24.7
<b>Top 0.1 Percent</b>	37	0.1	9,762,184	3,048,047	6,714,137	31.2	7.6	6.6	11.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

(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 T09-0458**  
**Replace Home Mortgage Interest and Property Tax Deductions**  
**With a Revenue Neutral Refundable Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	100.0	0.0	6.3	31.3	-652	-183.2	-0.6	-0.3	-6.0	-2.7
<b>Second Quintile</b>	100.0	0.0	2.8	53.7	-618	-67.4	-1.0	0.5	-2.6	1.3
<b>Middle Quintile</b>	98.5	1.5	1.6	39.9	-638	-31.2	-0.7	1.7	-1.5	3.4
<b>Fourth Quintile</b>	87.1	12.9	0.7	30.8	-464	-5.6	-0.4	10.2	-0.6	10.5
<b>Top Quintile</b>	60.7	39.3	-0.4	-55.9	657	1.3	2.8	87.8	0.3	22.5
<b>All</b>	87.7	12.3	0.4	100.0	-286	-1.9	0.0	100.0	-0.3	17.0
<b>Addendum</b>										
<b>80-90</b>	71.7	28.3	0.0	1.1	-27	-0.2	0.2	13.3	0.0	15.5
<b>90-95</b>	60.9	39.0	-0.4	-9.2	438	1.5	0.4	12.2	0.3	18.8
<b>95-99</b>	46.3	53.6	-0.6	-25.9	1,335	2.3	0.9	22.5	0.5	22.0
<b>Top 1 Percent</b>	28.1	71.9	-0.4	-21.9	4,371	1.1	1.2	39.9	0.3	29.0
<b>Top 0.1 Percent</b>	15.3	84.7	-0.3	-5.7	11,704	0.6	0.5	19.8	0.2	31.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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							
<b>Lowest Quintile</b>	4,167	13.8	10,783	356	10,427	3.3	1.7	2.0	0.3
<b>Second Quintile</b>	7,540	24.9	23,370	916	22,454	3.9	6.8	7.9	1.5
<b>Middle Quintile</b>	5,432	17.9	41,368	2,044	39,324	4.9	8.7	10.0	2.5
<b>Fourth Quintile</b>	5,756	19.0	74,513	8,256	66,256	11.1	16.6	17.8	10.6
<b>Top Quintile</b>	7,378	24.4	232,411	51,629	180,782	22.2	66.3	62.4	85.0
<b>All</b>	30,291	100.0	85,420	14,797	70,622	17.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	3,435	11.3	109,456	16,979	92,477	15.5	14.5	14.9	13.0
<b>90-95</b>	1,827	6.0	155,369	28,800	126,569	18.5	11.0	10.8	11.7
<b>95-99</b>	1,681	5.6	267,378	57,395	209,983	21.5	17.4	16.5	21.5
<b>Top 1 Percent</b>	434	1.4	1,393,711	399,426	994,285	28.7	23.4	20.2	38.7
<b>Top 0.1 Percent</b>	42	0.1	6,524,092	2,066,189	4,457,902	31.7	10.6	8.7	19.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is the Administration's baseline (extends all of the individual income tax provisions included in 2001 EGTRRA and 2003 JGTRRA; maintains the estate tax at its 2009 parameters; extends the 2009 AMT Patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation). Proposal eliminates the home mortgage interest and property tax itemized deductions and provides a fully refundable credit to all taxpayers. The credit is equal to \$467 (\$934 for married couples) increased by \$233.50 for each dependent under age 17.

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(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.