

Table T09-0473
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
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	100.0	0.0	18.0	NA	-998	-17.1	-11.9
10-20	99.4	0.6	6.9	NA	-1,041	-6.6	-2.0
20-30	95.3	4.7	4.5	NA	-1,075	-4.1	4.8
30-40	86.9	13.1	3.0	NA	-968	-2.6	10.3
40-50	80.6	19.4	2.3	NA	-900	-1.9	13.7
50-75	72.4	27.5	1.6	NA	-859	-1.3	16.3
75-100	61.9	38.0	0.8	NA	-563	-0.6	18.7
100-200	37.3	62.7	-1.9	NA	2,078	1.5	23.1
200-500	25.9	74.1	-3.5	NA	8,065	2.7	26.9
500-1,000	21.1	78.9	-2.7	NA	14,172	2.0	27.5
More than 1,000	17.0	83.0	-1.6	NA	36,100	1.1	30.9
All	77.4	22.6	0.0	NA	0	0.0	20.7

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

Number of AMT Taxpayers (millions). Baseline: 4.9 Proposal: 6.3

(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 removes tax preferences for savings; pension distribution are not taxed, there are no tax-free contributions to IRAs or other retirement plans, there are no ROTH, Keogh, SEP or SIMPLE accounts, and the buildup of retirement assets in defined contribution and defined benefit plans are taxed. Proposal provides a revenue neutral, fully refundable credit to all taxpayers. The credit is equal to \$781 (\$1,562 for married couples) increased by \$390.5 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) 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 T09-0473
Remove Savings Tax Expenditures
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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	100.0	0.0	18.0	NA	-998	-330.6	-0.7	-0.5	-17.1	-11.9
10-20	99.4	0.6	6.9	NA	-1,041	-144.1	-1.0	-0.3	-6.6	-2.0
20-30	95.3	4.7	4.5	NA	-1,075	-46.0	-0.9	1.1	-4.1	4.8
30-40	86.9	13.1	3.0	NA	-968	-20.3	-0.6	2.5	-2.6	10.3
40-50	80.6	19.4	2.3	NA	-900	-12.2	-0.5	3.3	-1.9	13.7
50-75	72.4	27.5	1.6	NA	-859	-7.5	-0.8	9.7	-1.3	16.3
75-100	61.9	38.0	0.8	NA	-563	-3.2	-0.3	9.9	-0.6	18.7
100-200	37.3	62.7	-1.9	NA	2,078	6.7	1.7	26.9	1.5	23.1
200-500	25.9	74.1	-3.5	NA	8,065	11.1	1.9	18.8	2.7	26.9
500-1,000	21.1	78.9	-2.7	NA	14,172	7.8	0.6	8.1	2.0	27.5
More than 1,000	17.0	83.0	-1.6	NA	36,100	3.8	0.8	20.4	1.1	30.9
All	77.4	22.6	0.0	NA	0	0.0	0.0	100.0	0.0	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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	17,357	11.0	5,833	302	5,531	5.2	0.8	1.0	0.2
10-20	24,651	15.7	15,779	723	15,056	4.6	3.3	3.9	0.7
20-30	21,228	13.5	26,200	2,340	23,860	8.9	4.6	5.3	2.0
30-40	16,147	10.3	36,761	4,770	31,991	13.0	5.0	5.4	3.1
40-50	12,783	8.1	47,305	7,365	39,940	15.6	5.1	5.4	3.8
50-75	22,703	14.4	65,008	11,458	53,550	17.6	12.3	12.8	10.5
75-100	14,337	9.1	91,536	17,692	73,844	19.3	11.0	11.1	10.2
100-200	20,132	12.8	143,254	31,049	112,205	21.7	24.1	23.8	25.2
200-500	5,750	3.7	300,910	72,885	228,026	24.2	14.4	13.8	16.9
500-1,000	1,020	0.7	715,934	182,926	533,008	25.6	6.1	5.7	7.5
More than 1,000	519	0.3	3,161,093	940,388	2,220,704	29.8	13.7	12.1	19.7
All	157,348	100.0	76,169	15,762	60,407	20.7	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 6.3

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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 T09-0473
Remove Savings Tax Expenditures
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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	100.0	0.0	15.5	27.8	-823	-169.2	-1.7	-0.7	-14.2	-5.8
10-20	99.2	0.8	5.6	33.0	-803	-61.2	-1.8	1.3	-5.1	3.3
20-30	94.5	5.5	3.5	24.3	-799	-22.7	-1.1	5.1	-3.1	10.4
30-40	84.0	15.9	2.3	14.4	-700	-10.9	-0.4	7.3	-1.9	15.6
40-50	73.7	26.3	1.5	9.3	-572	-6.3	0.0	8.6	-1.2	18.1
50-75	62.6	37.3	0.5	6.4	-272	-2.0	0.8	19.8	-0.4	21.2
75-100	51.7	48.3	-0.3	-1.7	181	0.8	0.9	12.8	0.2	23.8
100-200	42.9	57.0	-1.0	-8.8	1,000	3.0	1.6	18.9	0.7	25.0
200-500	41.8	58.2	-0.3	-1.5	701	0.9	0.7	10.1	0.2	25.5
500-1,000	35.5	64.5	-0.8	-1.5	3,990	2.0	0.4	4.5	0.6	28.3
More than 1,000	31.3	68.6	-0.6	-2.5	12,519	1.3	0.9	12.2	0.4	33.0
All	84.2	15.7	1.5	100.0	-533	-5.8	0.0	100.0	-1.2	19.7

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	12,411	18.0	5,807	486	5,321	8.4	2.4	2.8	1.0
10-20	15,082	21.9	15,630	1,311	14,319	8.4	7.8	9.0	3.1
20-30	11,184	16.2	26,072	3,522	22,551	13.5	9.6	10.5	6.2
30-40	7,558	11.0	36,711	6,420	30,290	17.5	9.2	9.6	7.7
40-50	5,973	8.7	47,260	9,146	38,114	19.4	9.3	9.5	8.7
50-75	8,646	12.5	64,183	13,893	50,290	21.7	18.4	18.2	19.0
75-100	3,519	5.1	90,793	21,433	69,360	23.6	10.6	10.2	11.9
100-200	3,222	4.7	139,697	33,940	105,757	24.3	14.9	14.2	17.3
200-500	772	1.1	303,987	76,836	227,151	25.3	7.8	7.3	9.4
500-1,000	134	0.2	708,255	196,090	512,165	27.7	3.1	2.9	4.2
More than 1,000	73	0.1	3,011,209	979,788	2,031,422	32.5	7.3	6.2	11.4
All	68,932	100.0	43,878	9,160	34,718	20.9	100.0	100.0	100.0

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

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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 T09-0473
Remove Savings Tax Expenditures
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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	99.9	0.1	36.6	-7.1	-1,706	-765.3	-0.2	-0.2	-34.9	-30.4
10-20	99.9	0.1	11.1	-13.8	-1,755	-387.2	-0.4	-0.3	-10.8	-8.0
20-30	99.3	0.7	6.9	-15.9	-1,724	-143.8	-0.5	-0.2	-6.5	-2.0
30-40	95.6	4.4	4.7	-13.4	-1,607	-57.0	-0.4	0.3	-4.4	3.3
40-50	92.2	7.8	3.5	-11.4	-1,497	-29.8	-0.4	0.8	-3.2	7.4
50-75	82.9	17.0	2.8	-29.5	-1,566	-16.7	-1.1	4.6	-2.4	11.8
75-100	67.7	32.3	1.4	-17.8	-1,035	-6.4	-0.8	8.1	-1.1	16.4
100-200	35.9	64.1	-2.0	68.4	2,297	7.6	1.2	30.4	1.6	22.7
200-500	23.1	76.9	-4.1	84.0	9,367	13.0	2.0	22.8	3.1	27.2
500-1,000	18.4	81.6	-3.0	25.5	15,967	8.8	0.5	9.8	2.2	27.4
More than 1,000	14.1	85.9	-1.8	31.9	40,113	4.4	0.3	23.7	1.3	30.5
All	67.1	32.9	-0.9	100.0	871	3.2	0.0	100.0	0.7	22.1

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,219	3.6	4,887	223	4,664	4.6	0.1	0.2	0.0
10-20	4,184	6.8	16,250	453	15,797	2.8	0.9	1.1	0.1
20-30	4,938	8.1	26,351	1,199	25,152	4.6	1.7	2.1	0.4
30-40	4,437	7.2	36,906	2,820	34,085	7.6	2.1	2.5	0.8
40-50	4,077	6.6	47,445	5,018	42,427	10.6	2.5	2.9	1.2
50-75	10,042	16.4	66,128	9,379	56,749	14.2	8.6	9.4	5.7
75-100	9,205	15.0	92,065	16,097	75,967	17.5	11.0	11.5	8.9
100-200	15,906	25.9	144,457	30,435	114,022	21.1	29.7	29.9	29.2
200-500	4,787	7.8	300,338	72,173	228,165	24.0	18.6	18.0	20.8
500-1,000	853	1.4	717,525	180,948	536,577	25.2	7.9	7.5	9.3
More than 1,000	425	0.7	3,122,358	913,266	2,209,092	29.3	17.2	15.5	23.4
All	61,357	100.0	126,020	27,029	98,991	21.5	100.0	100.0	100.0

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

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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 T09-0473
Remove Savings Tax Expenditures
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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	100.0	0.0	16.9	18.6	-1,239	230.3	-2.7	-3.7	-18.3	-26.2
10-20	99.7	0.3	7.0	34.8	-1,176	132.5	-5.3	-8.6	-7.4	-13.0
20-30	94.1	6.0	4.2	29.9	-1,082	-184.8	-3.9	-1.9	-4.1	-1.9
30-40	82.7	17.2	2.4	17.4	-791	-22.3	-1.1	8.5	-2.2	7.5
40-50	79.9	20.1	1.9	11.0	-785	-11.8	0.1	11.5	-1.7	12.5
50-75	68.8	31.1	0.8	8.5	-417	-3.8	2.7	30.5	-0.7	16.7
75-100	53.3	46.7	-0.8	-4.6	593	3.2	3.1	20.6	0.7	20.9
100-200	42.4	57.7	-2.0	-10.1	2,043	6.6	4.1	22.9	1.5	24.4
200-500	39.8	60.2	-1.8	-3.4	4,153	5.7	1.5	8.9	1.4	25.4
500-1,000	38.2	61.8	-1.6	-1.1	8,200	4.8	0.5	3.3	1.2	25.6
More than 1,000	33.1	66.9	-1.0	-1.3	20,481	2.2	1.2	8.1	0.7	30.9
All	84.7	15.3	1.9	100.0	-701	-12.3	0.0	100.0	-1.7	12.0

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by Cash Income Level, 2012¹

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	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,580	10.5	6,791	-538	7,329	-7.9	1.7	2.1	-1.0
10-20	5,092	20.7	15,846	-888	16,733	-5.6	7.9	9.6	-3.2
20-30	4,754	19.4	26,322	586	25,736	2.2	12.2	13.8	2.0
30-40	3,792	15.5	36,629	3,548	33,081	9.7	13.6	14.2	9.6
40-50	2,401	9.8	47,242	6,680	40,562	14.1	11.1	11.0	11.4
50-75	3,508	14.3	63,856	11,090	52,765	17.4	21.9	20.9	27.8
75-100	1,340	5.5	90,252	18,299	71,953	20.3	11.8	10.9	17.5
100-200	853	3.5	134,889	30,908	103,981	22.9	11.2	10.0	18.8
200-500	143	0.6	301,564	72,448	229,116	24.0	4.2	3.7	7.4
500-1,000	23	0.1	699,620	170,880	528,739	24.4	1.6	1.4	2.8
More than 1,000	11	0.0	3,022,247	913,181	2,109,067	30.2	3.1	2.5	6.9
All	24,547	100.0	41,760	5,710	36,050	13.7	100.0	100.0	100.0

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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	99.9	0.1	20.5	-10.6	-1,459	194.6	-0.4	-0.7	-22.9	-34.6
10-20	99.7	0.3	8.3	-19.8	-1,455	97.6	-0.8	-1.7	-9.1	-18.4
20-30	95.1	4.9	5.2	-18.9	-1,383	886.9	-0.8	-0.9	-5.3	-5.9
30-40	85.3	14.6	3.3	-12.8	-1,101	-38.3	-0.6	0.9	-3.0	4.8
40-50	85.8	14.2	2.9	-10.9	-1,205	-20.2	-0.6	1.8	-2.6	10.0
50-75	79.2	20.7	1.9	-18.3	-1,032	-10.0	-1.1	7.0	-1.6	14.3
75-100	65.3	34.7	0.4	-3.6	-262	-1.6	-0.6	9.7	-0.3	18.0
100-200	31.7	68.4	-3.1	75.7	3,479	11.4	2.0	31.4	2.4	23.7
200-500	16.1	83.9	-5.4	76.4	12,062	16.4	2.4	22.9	4.1	28.7
500-1,000	12.5	87.5	-3.9	20.8	20,356	10.6	0.5	9.2	2.8	29.6
More than 1,000	9.5	90.5	-2.2	22.6	47,402	4.9	0.1	20.4	1.5	31.9
All	71.1	28.9	-1.1	100.0	857	4.4	0.0	100.0	0.9	21.2

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					Percent of Total	Percent of Total	Percent of Total
Less than 10	3,062	6.2	6,383	-750	7,133	-11.8	0.4	0.6	-0.2
10-20	5,716	11.6	16,013	-1,490	17,503	-9.3	2.0	2.7	-0.9
20-30	5,756	11.7	26,300	-156	26,456	-0.6	3.2	4.1	-0.1
30-40	4,900	10.0	36,699	2,875	33,823	7.8	3.8	4.4	1.5
40-50	3,818	7.8	47,349	5,958	41,391	12.6	3.9	4.2	2.4
50-75	7,465	15.2	65,230	10,344	54,886	15.9	10.4	11.0	8.1
75-100	5,827	11.9	91,890	16,825	75,066	18.3	11.4	11.7	10.3
100-200	9,165	18.7	143,866	30,640	113,226	21.3	28.1	27.8	29.4
200-500	2,669	5.4	298,099	73,482	224,617	24.7	17.0	16.1	20.6
500-1,000	431	0.9	715,780	191,234	524,546	26.7	6.6	6.1	8.6
More than 1,000	201	0.4	3,157,649	961,128	2,196,520	30.4	13.5	11.8	20.3
All	49,155	100.0	95,419	19,410	76,009	20.3	100.0	100.0	100.0

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

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 removes tax preferences for savings; pension distribution are not taxed, there are no tax-free contributions to IRAs or other retirement plans, there are no ROTH, Keogh, SEP or SIMPLE accounts, and the buildup of retirement assets in defined contribution and defined benefit plans are taxed. Proposal provides a revenue neutral, fully refundable credit to all taxpayers. The credit is equal to \$781 (\$1,562 for married couples) increased by \$390.5 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) 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 T09-0473
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
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	99.9	0.1	15.3	3.3	-970	-487.8	-0.7	-0.6	-14.9	-11.8
10-20	100.0	0.0	6.3	9.0	-973	-242.1	-1.8	-1.2	-6.1	-3.6
20-30	99.9	0.1	5.1	8.8	-1,257	-108.4	-1.6	-0.2	-4.8	-0.4
30-40	99.2	0.8	4.4	6.5	-1,517	-68.7	-1.1	0.7	-4.1	1.9
40-50	96.0	4.1	4.4	5.9	-1,934	-61.7	-0.9	0.8	-4.1	2.5
50-75	92.0	7.8	5.1	18.9	-3,026	-45.4	-2.5	5.0	-4.6	5.6
75-100	87.5	12.5	5.8	15.4	-4,542	-37.6	-1.8	5.6	-5.0	8.3
100-200	75.2	24.7	5.0	24.2	-5,945	-23.1	-1.2	17.7	-4.1	13.8
200-500	57.3	42.7	2.3	8.5	-5,575	-8.1	2.3	21.3	-1.8	20.6
500-1,000	42.4	57.6	0.5	0.8	-2,504	-1.4	2.2	12.9	-0.4	24.3
More than 1,000	31.4	68.6	-0.3	-1.3	7,001	0.7	7.0	37.9	0.2	30.5
All	92.8	7.2	3.7	100.0	-2,343	-18.0	0.0	100.0	-3.1	14.1

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	2,398	7.9	6,527	199	6,328	3.1	0.7	0.8	0.1
10-20	6,630	21.7	15,930	402	15,527	2.5	4.6	5.4	0.7
20-30	4,981	16.3	25,969	1,159	24,809	4.5	5.6	6.5	1.5
30-40	3,067	10.0	36,691	2,207	34,484	6.0	4.9	5.5	1.7
40-50	2,182	7.1	47,373	3,134	44,239	6.6	4.5	5.0	1.7
50-75	4,463	14.6	65,489	6,670	58,818	10.2	12.6	13.7	7.5
75-100	2,421	7.9	90,734	12,084	78,650	13.3	9.5	9.9	7.4
100-200	2,910	9.5	143,925	25,759	118,166	17.9	18.1	18.0	18.8
200-500	1,096	3.6	308,692	69,126	239,566	22.4	14.6	13.7	19.0
500-1,000	241	0.8	717,910	176,817	541,093	24.6	7.5	6.8	10.7
More than 1,000	130	0.4	3,130,731	947,484	2,183,247	30.3	17.6	14.8	30.9
All	30,543	100.0	75,737	13,039	62,699	17.2	100.0	100.0	100.0

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

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 removes tax preferences for savings; pension distribution are not taxed, there are no tax-free contributions to IRAs or other retirement plans, there are no ROTH, Keogh, SEP or SIMPLE accounts, and the buildup of retirement assets in defined contribution and defined benefit plans are taxed. Proposal provides a revenue neutral, fully refundable credit to all taxpayers. The credit is equal to \$781 (\$1,562 for married couples) increased by \$390.5 for each dependent under age 17.

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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.