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Table T09-0474
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
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 (%)	Under the Proposal
Lowest Quintile	99.8	0.2	9.2	NA	-1,019	-8.8	-4.2
Second Quintile	93.0	7.0	4.0	NA	-1,046	-3.6	6.6
Middle Quintile	78.2	21.7	2.0	NA	-876	-1.7	14.6
Fourth Quintile	61.8	38.1	0.7	NA	-502	-0.6	18.6
Top Quintile	31.6	68.4	-2.4	NA	5,129	1.8	26.8
All	77.4	22.6	0.0	NA	0	0.0	20.7
Addendum							
80-90	37.0	63.0	-1.7	NA	1,785	1.3	22.9
90-95	28.3	71.7	-3.1	NA	4,739	2.4	25.1
95-99	25.1	74.9	-3.5	NA	9,071	2.6	27.3
Top 1 Percent	19.0	81.0	-1.9	NA	24,525	1.3	30.1
Top 0.1 Percent	12.7	87.3	-1.3	NA	76,385	0.9	32.2

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) 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 T09-0474
Remove Savings Tax Expenditures
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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	99.8	0.2	9.2	NA	-1,019	-191.8	-1.6	-0.8	-8.8	-4.2
Second Quintile	93.0	7.0	4.0	NA	-1,046	-35.6	-1.5	2.7	-3.6	6.6
Middle Quintile	78.2	21.7	2.0	NA	-876	-10.3	-1.1	9.8	-1.7	14.6
Fourth Quintile	61.8	38.1	0.7	NA	-502	-2.9	-0.5	17.8	-0.6	18.6
Top Quintile	31.6	68.4	-2.4	NA	5,129	7.4	4.8	70.4	1.8	26.8
All	77.4	22.6	0.0	NA	0	0.0	0.0	100.0	0.0	20.7
Addendum										
80-90	37.0	63.0	-1.7	NA	1,785	6.0	0.8	15.0	1.3	22.9
90-95	28.3	71.7	-3.1	NA	4,739	10.6	1.1	11.4	2.4	25.1
95-99	25.1	74.9	-3.5	NA	9,071	10.7	1.7	17.7	2.6	27.3
Top 1 Percent	19.0	81.0	-1.9	NA	24,525	4.7	1.2	26.3	1.3	30.1
Top 0.1 Percent	12.7	87.3	-1.3	NA	76,385	2.9	0.4	13.0	0.9	32.2

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-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	38,450	24.4	11,600	531	11,069	4.6	3.7	4.5	0.8
Second Quintile	34,947	22.2	28,852	2,941	25,911	10.2	8.4	9.5	4.1
Middle Quintile	31,868	20.3	52,224	8,511	43,712	16.3	13.9	14.7	10.9
Fourth Quintile	26,646	16.9	88,978	17,087	71,891	19.2	19.8	20.2	18.4
Top Quintile	23,298	14.8	280,229	69,827	210,402	24.9	54.5	51.6	65.6
All	157,348	100.0	76,169	15,762	60,407	20.7	100.0	100.0	100.0
Addendum									
80-90	11,720	7.5	138,385	29,942	108,443	21.6	13.5	13.4	14.2
90-95	5,734	3.6	196,549	44,588	151,960	22.7	9.4	9.2	10.3
95-99	4,655	3.0	345,574	85,103	260,472	24.6	13.4	12.8	16.0
Top 1 Percent	1,190	0.8	1,825,188	524,613	1,300,575	28.7	18.1	16.3	25.2
Top 0.1 Percent	120	0.1	8,367,274	2,617,589	5,749,685	31.3	8.4	7.3	12.7

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.

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Table T09-0474
Remove Savings Tax Expenditures
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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 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	99.9	0.1	10.6	NA	-1,144	-1,058.3	-1.5	-1.3	-10.5	-9.5
Second Quintile	95.8	4.2	4.5	NA	-1,074	-48.9	-1.4	1.5	-4.1	4.3
Middle Quintile	85.2	14.8	2.4	NA	-937	-13.5	-1.2	7.6	-2.0	12.9
Fourth Quintile	63.6	36.3	0.5	NA	-322	-2.2	-0.4	17.2	-0.4	18.3
Top Quintile	37.7	62.3	-2.1	NA	3,753	6.4	4.5	75.1	1.6	26.4
All	77.4	22.6	0.0	NA	0	0.0	0.0	100.0	0.0	20.7
Addendum										
80-90	43.4	56.6	-1.4	NA	1,314	5.1	0.8	16.3	1.1	22.9
90-95	34.8	65.1	-2.4	NA	3,026	7.9	0.9	12.6	1.8	24.7
95-99	30.3	69.7	-3.1	NA	6,974	9.7	1.7	18.9	2.4	26.8
Top 1 Percent	22.9	77.1	-1.7	NA	19,752	4.4	1.1	27.3	1.3	29.8
Top 0.1 Percent	15.1	84.9	-1.3	NA	64,896	2.8	0.4	13.5	0.9	31.9

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 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	31,706	20.2	10,935	108	10,827	1.0	2.9	3.6	0.1
Second Quintile	32,349	20.6	26,208	2,194	24,014	8.4	7.1	8.2	2.9
Middle Quintile	31,237	19.9	46,322	6,932	39,390	15.0	12.1	13.0	8.7
Fourth Quintile	29,980	19.1	77,565	14,545	63,020	18.8	19.4	19.9	17.6
Top Quintile	29,936	19.0	235,547	58,443	177,105	24.8	58.8	55.8	70.5
All	157,348	100.0	76,169	15,762	60,407	20.7	100.0	100.0	100.0
Addendum									
80-90	15,019	9.6	117,658	25,568	92,090	21.7	14.7	14.6	15.5
90-95	7,540	4.8	167,170	38,281	128,889	22.9	10.5	10.2	11.6
95-99	5,940	3.8	294,212	71,958	222,254	24.5	14.6	13.9	17.2
Top 1 Percent	1,436	0.9	1,584,726	452,182	1,132,544	28.5	19.0	17.1	26.2
Top 0.1 Percent	142	0.1	7,360,192	2,285,194	5,074,999	31.1	8.7	7.6	13.1

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.

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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 T09-0474
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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 (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	100.0	0.0	10.6	38.2	-828	-140.0	-2.3	-0.7	-9.9	-2.8
Second Quintile	98.0	1.9	4.5	33.6	-799	-37.6	-1.8	3.5	-4.0	6.7
Middle Quintile	86.7	13.3	2.5	27.5	-722	-12.5	-0.9	11.9	-2.1	14.7
Fourth Quintile	67.5	32.4	1.0	13.3	-424	-3.7	0.5	21.6	-0.8	19.9
Top Quintile	48.4	51.5	-0.5	-15.9	607	1.6	4.6	63.8	0.4	26.0
All	84.2	15.7	1.5	100.0	-533	-5.8	0.0	100.0	-1.2	19.7
Addendum										
80-90	53.1	46.9	-0.3	-2.2	160	0.8	1.1	16.8	0.2	23.4
90-95	45.6	54.1	-0.4	-2.1	332	1.2	0.8	11.7	0.3	24.6
95-99	41.3	58.7	-1.0	-7.5	1,533	3.1	1.3	15.5	0.8	25.2
Top 1 Percent	36.3	63.7	-0.6	-4.0	4,091	1.3	1.4	19.8	0.4	30.8
Top 0.1 Percent	25.0	75.0	-0.6	-1.7	19,231	1.1	0.7	9.6	0.4	34.3

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	16,972	24.6	8,380	591	7,789	7.1	4.7	5.5	1.6
Second Quintile	15,474	22.5	19,970	2,127	17,843	10.7	10.2	11.5	5.2
Middle Quintile	14,005	20.3	34,261	5,769	28,492	16.8	15.9	16.7	12.8
Fourth Quintile	11,543	16.8	55,833	11,560	44,273	20.7	21.3	21.4	21.1
Top Quintile	9,596	13.9	151,979	38,918	113,061	25.6	48.2	45.3	59.1
All	68,932	100.0	43,878	9,160	34,718	20.9	100.0	100.0	100.0
Addendum									
80-90	5,066	7.4	84,037	19,511	64,526	23.2	14.1	13.7	15.7
90-95	2,373	3.4	119,032	28,922	90,110	24.3	9.3	8.9	10.9
95-99	1,795	2.6	204,548	49,924	154,624	24.4	12.1	11.6	14.2
Top 1 Percent	361	0.5	1,060,631	322,234	738,397	30.4	12.7	11.1	18.4
Top 0.1 Percent	32	0.1	5,243,107	1,778,954	3,464,153	33.9	5.5	4.6	8.9

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

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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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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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	99.8	0.2	12.8	-22.8	-1,840	-1,670.8	-0.7	-0.7	-12.7	-11.9
Second Quintile	97.1	2.9	5.4	-27.8	-1,656	-64.1	-0.9	0.5	-5.0	2.8
Middle Quintile	87.2	12.7	2.6	-29.1	-1,355	-16.9	-1.1	4.5	-2.3	11.2
Fourth Quintile	61.9	38.0	0.5	-10.1	-358	-2.1	-0.8	14.4	-0.4	17.3
Top Quintile	31.6	68.4	-2.6	191.9	5,508	8.0	3.6	81.2	2.0	26.5
All	67.1	32.9	-0.9	100.0	871	3.2	0.0	100.0	0.7	22.1
Addendum										
80-90	37.4	62.6	-1.8	33.4	2,011	6.9	0.6	16.2	1.5	22.6
90-95	29.4	70.6	-3.0	39.9	4,399	10.2	0.9	13.4	2.3	24.7
95-99	24.7	75.3	-3.8	70.3	9,648	11.7	1.6	21.0	2.9	27.4
Top 1 Percent	18.1	81.9	-2.0	48.4	25,454	5.2	0.6	30.6	1.5	29.5
Top 0.1 Percent	11.7	88.3	-1.4	15.0	78,366	3.3	0.0	14.8	1.0	31.5

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	6,622	10.8	14,526	110	14,416	0.8	1.2	1.6	0.0
Second Quintile	8,956	14.6	33,405	2,583	30,822	7.7	3.9	4.5	1.4
Middle Quintile	11,470	18.7	59,671	8,017	51,654	13.4	8.9	9.8	5.6
Fourth Quintile	15,032	24.5	95,023	16,803	78,220	17.7	18.5	19.4	15.2
Top Quintile	18,609	30.3	281,842	69,190	212,652	24.6	67.8	65.2	77.6
All	61,357	100.0	126,020	27,029	98,991	21.5	100.0	100.0	100.0
Addendum									
80-90	8,860	14.4	138,312	29,199	109,113	21.1	15.9	15.9	15.6
90-95	4,843	7.9	192,091	43,107	148,983	22.4	12.0	11.9	12.6
95-99	3,890	6.3	337,723	82,709	255,013	24.5	17.0	16.3	19.4
Top 1 Percent	1,015	1.7	1,748,464	490,810	1,257,654	28.1	23.0	21.0	30.1
Top 0.1 Percent	102	0.2	7,890,377	2,403,141	5,487,237	30.5	10.5	9.3	14.8

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

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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	99.7	0.4	8.6	57.0	-1,250	128.0	-8.7	-14.2	-9.3	-16.5
Second Quintile	89.8	10.1	3.3	41.9	-962	-53.9	-4.5	5.0	-3.1	2.7
Middle Quintile	77.4	22.5	1.5	19.0	-641	-8.4	1.2	28.9	-1.3	13.9
Fourth Quintile	59.2	40.8	-0.3	-3.0	187	1.3	4.6	34.4	0.2	19.8
Top Quintile	45.3	54.7	-1.6	-15.4	2,134	4.9	7.5	45.9	1.2	25.5
All	84.7	15.3	1.9	100.0	-701	-12.3	0.0	100.0	-1.7	12.0
Addendum										
80-90	48.5	51.5	-1.6	-6.6	1,421	5.5	3.0	17.7	1.3	24.0
90-95	36.1	63.9	-2.4	-3.8	2,840	7.9	1.4	7.3	1.8	25.1
95-99	46.0	54.0	-1.3	-2.8	2,760	4.2	1.5	9.5	1.0	24.4
Top 1 Percent	27.9	72.2	-1.1	-2.2	11,251	2.7	1.7	11.3	0.8	29.6
Top 0.1 Percent	27.8	72.2	-1.0	-0.8	46,992	2.2	0.7	5.2	0.7	31.8

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	7,840	31.9	13,490	-976	14,466	-7.2	10.3	12.8	-5.5
Second Quintile	7,497	30.5	30,617	1,785	28,832	5.8	22.4	24.4	9.6
Middle Quintile	5,095	20.8	50,275	7,619	42,656	15.2	25.0	24.6	27.7
Fourth Quintile	2,777	11.3	76,881	15,028	61,854	19.6	20.8	19.4	29.8
Top Quintile	1,242	5.1	178,521	43,312	135,209	24.3	21.6	19.0	38.4
All	24,547	100.0	41,760	5,710	36,050	13.7	100.0	100.0	100.0
Addendum									
80-90	805	3.3	112,763	25,659	87,104	22.8	8.9	7.9	14.7
90-95	232	0.9	154,893	36,100	118,793	23.3	3.5	3.1	6.0
95-99	173	0.7	278,418	65,054	213,364	23.4	4.7	4.2	8.0
Top 1 Percent	33	0.1	1,423,600	410,145	1,013,455	28.8	4.6	3.8	9.7
Top 0.1 Percent	3	0.0	6,950,503	2,165,277	4,785,226	31.2	2.0	1.6	4.5

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

(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 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) 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 T09-0474
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	99.6	0.4	9.7	-37.4	-1,556	118.3	-1.5	-2.9	-10.6	-19.5
Second Quintile	90.6	9.4	3.9	-31.3	-1,273	-62.3	-1.4	0.8	-3.7	2.2
Middle Quintile	81.1	18.9	2.0	-25.3	-1,037	-10.9	-1.5	8.7	-1.7	13.6
Fourth Quintile	51.9	48.0	-1.1	20.4	874	4.4	0.0	20.4	0.9	20.1
Top Quintile	21.4	78.6	-3.9	174.8	8,855	11.3	4.5	73.0	2.9	28.6
All	71.1	28.9	-1.1	100.0	857	4.4	0.0	100.0	0.9	21.2
Addendum										
80-90	26.1	73.9	-3.6	46.1	4,411	12.5	1.3	17.5	2.8	25.2
90-95	18.2	81.8	-4.9	39.4	8,405	16.0	1.2	12.1	3.7	27.1
95-99	14.9	85.1	-5.2	57.1	15,350	14.8	1.7	18.7	3.8	29.7
Top 1 Percent	10.3	89.7	-2.5	32.2	36,264	5.9	0.3	24.7	1.7	31.4
Top 0.1 Percent	8.6	91.4	-1.6	9.0	104,561	3.4	-0.1	11.6	1.1	32.5

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 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	10,133	20.6	14,723	-1,316	16,039	-8.9	3.2	4.4	-1.4
Second Quintile	10,359	21.1	34,672	2,044	32,629	5.9	7.7	9.1	2.2
Middle Quintile	10,251	20.9	62,298	9,524	52,774	15.3	13.6	14.5	10.2
Fourth Quintile	9,800	19.9	103,142	19,825	83,316	19.2	21.6	21.9	20.4
Top Quintile	8,315	16.9	306,063	78,548	227,515	25.7	54.3	50.6	68.5
All	49,155	100.0	95,419	19,410	76,009	20.3	100.0	100.0	100.0
Addendum									
80-90	4,398	9.0	157,496	35,261	122,234	22.4	14.8	14.4	16.3
90-95	1,976	4.0	224,546	52,547	171,999	23.4	9.5	9.1	10.9
95-99	1,567	3.2	400,356	103,488	296,868	25.9	13.4	12.5	17.0
Top 1 Percent	374	0.8	2,088,455	620,363	1,468,092	29.7	16.7	14.7	24.3
Top 0.1 Percent	36	0.1	9,839,694	3,089,443	6,750,251	31.4	7.6	6.5	11.7

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) 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 T09-0474
Remove Savings Tax Expenditures
Provides Revenue Neutral Refundable Credit
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	0	0.0	0.0	0.0	0.0	0.0
Second Quintile	100.0	0.0	-11.1	0.4	-1,129	-77.6	-0.1	0.0	12.9	-3.7
Middle Quintile	99.9	0.1	9.9	7.4	-1,050	-398.9	-1.5	-1.2	-9.6	-7.2
Fourth Quintile	99.9	0.1	5.3	13.3	-1,154	-136.2	-2.5	-0.8	-5.1	-1.4
Top Quintile	92.8	7.2	3.7	100.0	-2,343	-18.0	0.0	100.0	-3.1	14.1
All	26.5	73.5	-0.4	-1.0	16,305	0.8	5.0	27.0	0.3	31.9
Addendum										
80-90	98.7	1.3	3.9	12.6	-1,508	-64.0	-2.0	1.6	-3.7	2.1
90-95	91.1	8.8	5.4	26.0	-3,379	-43.8	-3.4	7.3	-4.8	6.2
95-99	81.6	18.4	5.9	17.8	-5,258	-32.1	-1.7	8.3	-5.0	10.6
Top 1 Percent	63.1	36.8	1.8	22.7	-5,081	-5.5	11.2	84.9	-1.4	23.3
Top 0.1 Percent	43.8	56.2	0.8	1.2	-3,744	-2.6	1.5	9.4	-0.6	23.7

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 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	0	0.0	0	0	0	0.0	0.0	0.0	0.0	
Second Quintile	222	0.7	-8,764	1,456	-10,219	-16.6	-0.1	-0.1	0.1	
Middle Quintile	5,016	16.4	10,899	263	10,636	2.4	2.4	2.8	0.3	
Fourth Quintile	8,213	26.9	22,528	848	21,680	3.8	8.0	9.3	1.8	
Top Quintile	30,543	100.0	75,737	13,039	62,699	17.2	100.0	100.0	100.0	
All	42	0.1	6,520,091	2,064,745	4,455,346	31.7	12.0	9.9	22.0	
Addendum										
80-90	5,981	19.6	41,094	2,357	38,737	5.7	10.6	12.1	3.5	
90-95	5,495	18.0	70,238	7,709	62,529	11.0	16.7	17.9	10.6	
95-99	2,427	8.0	105,444	16,385	89,059	15.5	11.1	11.3	10.0	
Top 1 Percent	3,190	10.4	372,369	91,976	280,392	24.7	51.4	46.7	73.7	
Top 0.1 Percent	223	0.7	585,812	142,355	443,457	24.3	5.6	5.2	8.0	

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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