Table T10-0013
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000
Distribution of Federal Tax Change by Cash Income Level, 2011

Summary Table

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change ($)</th>
<th>Average Federal Tax Rate Under the Proposal</th>
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<td></td>
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</table>

Number of AMT Taxpayers (millions). Baseline: 16.6 Proposal: 16.8

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.

(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) 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 T10-0013

#### Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000

#### Distribution of Federal Tax Change by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units with Tax Cut</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
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<tbody>
<tr>
<td>Less than 10</td>
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<td>-1.0</td>
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<td>30-40</td>
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<td>40-50</td>
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<td>75-100</td>
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<td>100-200</td>
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<td>500-1,000</td>
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<tr>
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#### Baseline Distribution of Income and Federal Taxes by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
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---

### Source

## Table T10-0013

**Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000**

Distribution of Federal Tax Change by Cash Income Level, 2011

**Detail Table - Single Tax Units**

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units 1</th>
<th>Percent Change in After-Tax Income 2</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate 4</th>
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<td>11.7</td>
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### Baseline Distribution of Income and Federal Taxes by Cash Income Level, 2011

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<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income 2</th>
<th>Average Federal Tax Change (Dollars)</th>
<th>Share of Pre-Tax Income Change (% Points)</th>
<th>Share of Post-Tax Income Change (% Points)</th>
<th>Share of Federal Taxes Change (% Points)</th>
<th>Average Federal Tax Rate 4</th>
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<td>10.9</td>
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</table>


1. Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.

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### Table T10-0013

**Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000**

**Distribution of Federal Tax Change by Cash Income Level, 2011**

**Detail Table - Married Tax Units Filing Jointly**

<table>
<thead>
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<th>Cash Income Level (thousands of 2009 dollars) 2</th>
<th>Percent of Tax Units 3</th>
<th>Percent Change in After-Tax Income1</th>
<th>Share of Total Federal Tax Change Dollars</th>
<th>Average Federal Tax Change Percent</th>
<th>Share of Federal Taxes Change (% Points) Under the Proposal</th>
<th>Average Federal Tax Rate5</th>
<th>Share of Pre-Tax Income Percent of Total</th>
<th>Share of Post-Tax Income Percent of Total</th>
<th>Share of Federal Taxes Percent of Total</th>
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<tr>
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</table>

### Baseline Distribution of Income and Federal Taxes by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars) 2</th>
<th>Tax Units 3</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Thousands)</th>
<th>Average Federal Tax Change (Thousands)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
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<td>30.3</td>
</tr>
<tr>
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<td>500-1,000</td>
<td>795</td>
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<td>7.8</td>
<td>7.4</td>
<td>9.1</td>
</tr>
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<td>3,053,140</td>
<td>2,043,742</td>
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<td>15.5</td>
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<td>100.0</td>
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</tbody>
</table>

**Source:** Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

1. Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.

2. Includes both filing and non-filing units but excludes those that are dependents of other tax units.

3. 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.

4. Average federal tax is the sum of federal taxes (Social Security and Medicare) as a percentage of average after-tax income.

5. Average federal tax is the sum of federal taxes (Social Security and Medicare) as a percentage of average cash income.
### Table T10-0013
Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000
Distribution of Federal Tax Change by Cash Income Level, 2011

#### Table T10-0013
Distribution of Federal Tax Change by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-1.5</td>
</tr>
<tr>
<td>10-20</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-2.9</td>
</tr>
<tr>
<td>20-30</td>
<td>3.3</td>
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<td>0.0</td>
<td>-3</td>
<td>0.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>30-40</td>
<td>12.5</td>
<td>0.0</td>
<td>0.1</td>
<td>-24</td>
<td>0.0</td>
<td>-0.6</td>
</tr>
<tr>
<td>40-50</td>
<td>16.9</td>
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<td>0.2</td>
<td>-58</td>
<td>-0.1</td>
<td>-0.8</td>
</tr>
<tr>
<td>50-75</td>
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<td>0.1</td>
<td>-62</td>
<td>0.0</td>
<td>-0.5</td>
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<tr>
<td>75-100</td>
<td>13.9</td>
<td>0.0</td>
<td>0.1</td>
<td>-58</td>
<td>0.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>100-200</td>
<td>7.5</td>
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<td>0.0</td>
<td>-28</td>
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<td>-0.1</td>
</tr>
<tr>
<td>200-500</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>-1</td>
<td>0.0</td>
<td>24.5</td>
</tr>
<tr>
<td>500-1,000</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>25.1</td>
</tr>
<tr>
<td>More than 1,000</td>
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<td>0.0</td>
<td>0.0</td>
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<tr>
<td>All</td>
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#### Table T10-0013
Baseline Distribution of Income and Federal Taxes by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Rate (Percent of Total)</th>
<th>Share of Pre-Tax Income (Percent of Total)</th>
<th>Share of Post-Tax Income (Percent of Total)</th>
<th>Share of Federal Taxes (Percent of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>3,209</td>
<td>13.3</td>
<td>6,999</td>
<td>-637</td>
<td>7,635</td>
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<td>3.1</td>
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<td>5,408</td>
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<td>15,686</td>
<td>-737</td>
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<td>11.3</td>
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<td>20-30</td>
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<td>18.3</td>
<td>25,635</td>
<td>-1,331</td>
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<td>0.4</td>
<td>12.2</td>
<td>13.6</td>
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<tr>
<td>30-40</td>
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<td>35,569</td>
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<td>31,140</td>
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<td>14.1</td>
<td>14.5</td>
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<td>11.4</td>
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<td>25.7</td>
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<td>6.8</td>
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</table>


(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.

(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) 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 T10-0013

#### Child and Dependent Care Tax Credit: Increase Phaseout Threshold to $85,000

### Distribution of Federal Tax Change by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units (^1)</th>
<th>Percent Change in After-Tax Income (^2)</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes Change (% Points)</th>
<th>Under the Proposal</th>
<th>Average Federal Tax Rate (^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-0.3</td>
<td>-12.8</td>
</tr>
<tr>
<td>10-20</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>-0.8</td>
<td>-7.9</td>
</tr>
<tr>
<td>20-30</td>
<td>2.8</td>
<td>0.0</td>
<td>1.4</td>
<td>-3</td>
<td>-0.3</td>
<td>0.5</td>
<td>3.4</td>
</tr>
<tr>
<td>30-40</td>
<td>10.3</td>
<td>0.1</td>
<td>8.1</td>
<td>-19</td>
<td>-0.5</td>
<td>1.9</td>
<td>11.4</td>
</tr>
<tr>
<td>40-50</td>
<td>13.0</td>
<td>0.1</td>
<td>13.9</td>
<td>-41</td>
<td>-0.6</td>
<td>2.7</td>
<td>15.4</td>
</tr>
<tr>
<td>50-75</td>
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<td>0.1</td>
<td>31.9</td>
<td>-52</td>
<td>-0.4</td>
<td>8.0</td>
<td>18.3</td>
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<td>32.8</td>
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<td>-0.3</td>
<td>11.1</td>
<td>20.6</td>
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<tr>
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<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>19.9</td>
<td>27.4</td>
</tr>
<tr>
<td>500-1,000</td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>8.4</td>
<td>29.5</td>
</tr>
<tr>
<td>More than 1,000</td>
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<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>18.4</td>
<td>34.5</td>
</tr>
<tr>
<td>All</td>
<td>7.6</td>
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<td>100.0</td>
<td>-23</td>
<td>-0.1</td>
<td>100.0</td>
<td>23.1</td>
</tr>
</tbody>
</table>


**Note:**
1. Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.
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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.
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Table T10-0013
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<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Percent of Tax Units</th>
<th>Percent Change in After-Tax Income</th>
<th>Share of Total Federal Tax Change</th>
<th>Average Federal Tax Change</th>
<th>Share of Federal Taxes</th>
<th>Average Federal Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Tax Cut</td>
<td>With Tax Increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 0.1</td>
<td>0.0 2.0</td>
</tr>
<tr>
<td>10-20</td>
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<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 0.7</td>
<td>0.0 2.7</td>
</tr>
<tr>
<td>20-30</td>
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<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 1.4</td>
<td>0.0 4.9</td>
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<td>0.2 0.0</td>
<td>0 0</td>
<td>0.0 1.7</td>
<td>0.0 6.8</td>
</tr>
<tr>
<td>40-50</td>
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<td>0.0 0.0</td>
<td>9.5 0.0</td>
<td>0 0</td>
<td>0.0 1.7</td>
<td>0.0 7.3</td>
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<tr>
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<td>0.0 0.0</td>
<td>64.7 -1</td>
<td>0.0 0</td>
<td>0.0 7.4</td>
<td>0.0 11.6</td>
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<tr>
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<td>0.0 0.0</td>
<td>22.5 0.0</td>
<td>0.0 0</td>
<td>0.0 7.6</td>
<td>0.0 15.3</td>
</tr>
<tr>
<td>100-200</td>
<td>0.1 0.0</td>
<td>0.0 0.0</td>
<td>3.2 0.0</td>
<td>0 0</td>
<td>0.0 21.6</td>
<td>0.0 20.9</td>
</tr>
<tr>
<td>200-500</td>
<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 20.1</td>
<td>0.0 26.5</td>
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<tr>
<td>500-1,000</td>
<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 10.7</td>
<td>0.0 28.0</td>
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<tr>
<td>More than 1,000</td>
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<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 27.1</td>
<td>0.0 34.4</td>
</tr>
<tr>
<td>All</td>
<td>0.1 0.0</td>
<td>0.0 0.0</td>
<td>0.0 0.0</td>
<td>0 0</td>
<td>0.0 100.0</td>
<td>0.0 19.5</td>
</tr>
</tbody>
</table>

Baseline Distribution of Income and Federal Taxes by Cash Income Level, 2011

<table>
<thead>
<tr>
<th>Cash Income Level (thousands of 2009 dollars)</th>
<th>Tax Units</th>
<th>Average Income (Dollars)</th>
<th>Average Federal Tax Burden (Dollars)</th>
<th>Average After-Tax Income (Dollars)</th>
<th>Average Federal Tax Burden Rate (Dollars)</th>
<th>Share of Pre-Tax Income</th>
<th>Share of Post-Tax Income</th>
<th>Share of Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent of Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Less than 10</td>
<td>2,522</td>
<td>8.5</td>
<td>6,528</td>
<td>189</td>
<td>6,339</td>
<td>2.9</td>
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<td>0.9</td>
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<tr>
<td>10-20</td>
<td>6,642</td>
<td>22.4</td>
<td>15,553</td>
<td>417</td>
<td>15,135</td>
<td>2.7</td>
<td>4.8</td>
<td>5.8</td>
</tr>
<tr>
<td>20-30</td>
<td>4,651</td>
<td>15.7</td>
<td>25,360</td>
<td>1,245</td>
<td>24,115</td>
<td>4.9</td>
<td>5.5</td>
<td>6.5</td>
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<tr>
<td>30-40</td>
<td>2,939</td>
<td>9.9</td>
<td>35,780</td>
<td>2,333</td>
<td>33,446</td>
<td>6.8</td>
<td>4.9</td>
<td>5.7</td>
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<td>40-50</td>
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<td>6.9</td>
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<td>42,821</td>
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<td>63,809</td>
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<td>11.6</td>
<td>12.3</td>
<td>13.5</td>
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<td>88,288</td>
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<td>74,771</td>
<td>15.3</td>
<td>9.7</td>
<td>10.2</td>
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<td>145,786</td>
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<td>20.9</td>
<td>20.1</td>
<td>19.8</td>
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<td>14.8</td>
<td>13.5</td>
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<td>1,049,434</td>
<td>2,005,577</td>
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<td>12.5</td>
</tr>
<tr>
<td>All</td>
<td>29,671</td>
<td>100.0</td>
<td>72,264</td>
<td>14,068</td>
<td>58,196</td>
<td>19.5</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


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

(1) Calendar year. Baseline is current law plus the following EGTRRA extensions: increase the maximum credit rate to 35 percent; increase the eligible expenses to $3,000 for one child and $6,000 for two or more children; increase the start of the credit rate phasedown to $15,000 of AGI (not indexed for inflation); and allow the credit regardless of tentative AMT. Proposal would increase the threshold at which the credit rate begins to phase down from $15,000 to $85,000.

(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) 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.