

**Table T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013<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 (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	5.2
<b>Second Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	12.2
<b>Middle Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	18.2
<b>Fourth Quintile</b>	0.0	0.0	0.0	0.0	0	0.0	21.7
<b>Top Quintile</b>	0.0	13.9	-0.3	99.4	516	0.2	28.4
<b>All</b>	0.0	2.1	-0.1	100.0	77	0.1	23.6
<b>Addendum</b>							
<b>80-90</b>	0.0	0.1	0.0	0.1	1	0.0	24.7
<b>90-95</b>	0.0	1.9	0.0	0.2	4	0.0	25.9
<b>95-99</b>	0.0	47.0	-0.2	16.6	432	0.1	27.9
<b>Top 1 Percent</b>	0.0	78.8	-0.6	82.6	8,450	0.4	32.7
<b>Top 0.1 Percent</b>	0.0	95.7	-0.8	47.1	47,692	0.5	35.7

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 21.0

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$19,599, 40% \$37,843, 60% \$66,647, 80% \$113,886, 90% \$164,974, 95% \$231,179, 99% \$624,396, 99.9% \$2,875,812.

(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	5.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.3	0.0	12.2
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	10.6	0.0	18.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	18.1	0.0	21.7
Top Quintile	0.0	13.9	-0.3	99.4	516	0.6	0.1	66.0	0.2	28.4
All	0.0	2.1	-0.1	100.0	77	0.4	0.0	100.0	0.1	23.6
<b>Addendum</b>										
80-90	0.0	0.1	0.0	0.1	1	0.0	-0.1	14.2	0.0	24.7
90-95	0.0	1.9	0.0	0.2	4	0.0	0.0	10.3	0.0	25.9
95-99	0.0	47.0	-0.2	16.6	432	0.4	0.0	15.9	0.1	27.9
Top 1 Percent	0.0	78.8	-0.6	82.6	8,450	1.4	0.2	25.7	0.4	32.7
Top 0.1 Percent	0.0	95.7	-0.8	47.1	47,692	1.5	0.1	12.9	0.5	35.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2013<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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	38,935	24.4	11,951	620	11,330	5.2	3.7	4.6	0.8	
Second Quintile	35,530	22.3	29,492	3,596	25,896	12.2	8.3	9.6	4.3	
Middle Quintile	32,336	20.3	53,428	9,740	43,688	18.2	13.7	14.7	10.7	
Fourth Quintile	27,082	17.0	91,635	19,872	71,764	21.7	19.7	20.2	18.2	
Top Quintile	23,647	14.8	291,777	82,368	209,409	28.2	54.8	51.4	65.9	
All	159,683	100.0	78,831	18,515	60,316	23.5	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	11,930	7.5	142,602	35,258	107,344	24.7	13.5	13.3	14.2	
90-95	5,814	3.6	202,693	52,547	150,147	25.9	9.4	9.1	10.3	
95-99	4,704	3.0	359,698	99,923	259,775	27.8	13.4	12.7	15.9	
Top 1 Percent	1,200	0.8	1,939,600	626,199	1,313,400	32.3	18.5	16.4	25.4	
Top 0.1 Percent	121	0.1	8,825,114	3,099,584	5,725,530	35.1	8.5	7.2	12.7	

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

Number of AMT Taxpayers (millions). Baseline: 21.0 Proposal: 21.0

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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 breaks are (in 2009 dollars): 20% \$19,599, 40% \$37,843, 60% \$66,647, 80% \$113,886, 90% \$164,974, 95% \$231,179, 99% \$624,396, 99.9% \$2,875,812.

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(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.2	0.0	10.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	8.6	0.0	17.0
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.2	0.0	21.0
Top Quintile	0.0	10.8	-0.2	99.4	403	0.6	0.1	70.6	0.2	28.1
All	0.0	2.1	-0.1	100.0	77	0.4	0.0	100.0	0.1	23.6
<b>Addendum</b>										
80-90	0.0	0.1	0.0	0.1	0	0.0	-0.1	15.3	0.0	24.5
90-95	0.0	2.5	0.0	0.4	6	0.0	-0.1	11.5	0.0	25.9
95-99	0.0	33.3	-0.1	15.3	313	0.4	0.0	17.1	0.1	27.6
Top 1 Percent	0.0	74.6	-0.6	83.7	7,117	1.3	0.2	26.7	0.4	32.5
Top 0.1 Percent	0.0	93.3	-0.8	48.2	41,101	1.5	0.2	13.3	0.5	35.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	32,029	20.1	11,281	262	11,019	2.3	2.9	3.7	0.3	
Second Quintile	32,970	20.7	26,786	2,891	23,895	10.8	7.0	8.2	3.2	
Middle Quintile	31,818	19.9	47,337	8,047	39,289	17.0	12.0	13.0	8.7	
Fourth Quintile	30,385	19.0	79,916	16,813	63,103	21.0	19.3	19.9	17.3	
Top Quintile	30,329	19.0	245,421	68,653	176,768	28.0	59.1	55.7	70.4	
All	159,683	100.0	78,831	18,515	60,316	23.5	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	15,226	9.5	121,507	29,768	91,739	24.5	14.7	14.5	15.3	
90-95	7,667	4.8	172,468	44,614	127,854	25.9	10.5	10.2	11.6	
95-99	5,993	3.8	306,082	84,296	221,786	27.5	14.6	13.8	17.1	
Top 1 Percent	1,444	0.9	1,687,975	541,506	1,146,469	32.1	19.4	17.2	26.4	
Top 0.1 Percent	144	0.1	7,770,939	2,701,780	5,069,158	34.8	8.9	7.6	13.2	

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

Number of AMT Taxpayers (millions). Baseline: 21.0 Proposal: 21.0

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$13,465, 40% \$25,159, 60% \$42,626, 80% \$69,583, 90% \$100,255, 95% \$141,875, 99% \$375,887, 99.9% \$1,773,679.

(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.5	0.0	7.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.2	0.0	11.5
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	12.4	0.0	17.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	20.5	0.0	22.1
Top Quintile	0.0	5.5	-0.2	99.3	171	0.4	0.1	60.3	0.1	28.7
All	0.0	0.8	-0.1	100.0	24	0.2	0.0	100.0	0.1	22.9
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.1	0	0.0	0.0	15.5	0.0	25.6
90-95	0.0	0.1	0.0	0.0	0	0.0	0.0	11.1	0.0	26.8
95-99	0.0	15.9	-0.1	9.1	84	0.1	0.0	14.6	0.0	27.8
Top 1 Percent	0.0	67.2	-0.6	90.1	4,221	1.1	0.2	19.1	0.4	34.5
Top 0.1 Percent	0.0	91.2	-0.8	53.3	28,263	1.4	0.1	9.2	0.5	38.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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							
Lowest Quintile	17,074	24.2	8,651	638	8,013	7.4	4.6	5.6	1.5
Second Quintile	16,108	22.8	20,480	2,354	18,125	11.5	10.3	11.9	5.2
Middle Quintile	14,458	20.5	35,181	6,293	28,888	17.9	16.0	17.0	12.5
Fourth Quintile	11,774	16.7	57,507	12,723	44,784	22.1	21.2	21.4	20.5
Top Quintile	9,729	13.8	157,782	45,178	112,605	28.6	48.1	44.6	60.2
All	70,516	100.0	45,222	10,352	34,870	22.9	100.0	100.0	100.0
<b>Addendum</b>									
80-90	5,106	7.2	86,768	22,210	64,558	25.6	13.9	13.4	15.5
90-95	2,451	3.5	123,206	33,040	90,166	26.8	9.5	9.0	11.1
95-99	1,813	2.6	212,186	58,843	153,343	27.7	12.1	11.3	14.6
Top 1 Percent	359	0.5	1,129,741	385,917	743,823	34.2	12.7	10.9	19.0
Top 0.1 Percent	32	0.0	5,553,373	2,095,512	3,457,861	37.7	5.5	4.5	9.1

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

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$13,465, 40% \$25,159, 60% \$42,626, 80% \$69,583, 90% \$100,255, 95% \$141,875, 99% \$375,887, 99.9% \$1,773,679.

(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	10.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	15.9
Fourth Quintile	0.0	0.0	0.0	0.1	0	0.0	-0.1	15.1	0.0	20.3
Top Quintile	0.0	13.7	-0.3	99.4	524	0.6	0.1	77.4	0.2	28.0
All	0.0	4.2	-0.2	100.0	161	0.5	0.0	100.0	0.1	24.7
<b>Addendum</b>										
80-90	0.0	0.1	0.0	0.1	1	0.0	-0.1	15.5	0.0	24.1
90-95	0.0	3.7	0.0	0.4	9	0.0	-0.1	12.4	0.0	25.6
95-99	0.0	40.9	-0.2	16.6	420	0.4	0.0	19.1	0.1	27.7
Top 1 Percent	0.0	77.0	-0.6	82.4	7,985	1.4	0.3	30.5	0.4	32.0
Top 0.1 Percent	0.0	93.7	-0.8	46.4	44,282	1.6	0.2	15.0	0.5	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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							
Lowest Quintile	6,646	10.8	14,997	483	14,514	3.2	1.2	1.6	0.2
Second Quintile	8,846	14.4	34,316	3,703	30,613	10.8	3.8	4.4	1.7
Middle Quintile	11,466	18.6	61,056	9,682	51,375	15.9	8.6	9.6	5.6
Fourth Quintile	15,133	24.6	98,062	19,924	78,138	20.3	18.3	19.3	15.2
Top Quintile	18,824	30.6	294,107	81,715	212,391	27.8	68.3	65.4	77.3
All	61,567	100.0	131,596	32,310	99,285	24.6	100.0	100.0	100.0
<b>Addendum</b>									
80-90	8,992	14.6	142,741	34,347	108,393	24.1	15.8	15.9	15.5
90-95	4,893	8.0	198,470	50,736	147,734	25.6	12.0	11.8	12.5
95-99	3,916	6.4	351,916	96,974	254,942	27.6	17.0	16.3	19.1
Top 1 Percent	1,023	1.7	1,860,212	587,667	1,272,545	31.6	23.5	21.3	30.2
Top 0.1 Percent	104	0.2	8,301,978	2,837,441	5,464,537	34.2	10.7	9.3	14.8

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

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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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**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-3.4	0.0	-5.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	0.0	9.5
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	0.0	27.0	0.0	17.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	28.0	0.0	22.0
Top Quintile	0.0	10.1	-0.2	99.6	227	0.5	0.1	35.5	0.1	26.7
All	0.0	0.5	0.0	100.0	12	0.2	0.0	100.0	0.0	16.4
<b>Addendum</b>										
80-90	0.0	0.2	0.0	0.2	1	0.0	0.0	13.5	0.0	24.8
90-95	0.0	5.2	0.0	1.1	14	0.0	0.0	5.3	0.0	25.7
95-99	0.0	49.0	-0.2	24.1	384	0.5	0.0	7.5	0.1	25.4
Top 1 Percent	0.0	77.1	-0.6	74.2	6,335	1.3	0.1	9.3	0.4	32.5
Top 0.1 Percent	0.0	93.7	-0.8	37.1	38,318	1.5	0.1	4.2	0.5	35.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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							
Lowest Quintile	8,048	32.1	13,855	-749	14,603	-5.4	10.3	13.0	-3.4
Second Quintile	7,608	30.3	31,521	2,995	28,526	9.5	22.2	24.0	12.8
Middle Quintile	5,217	20.8	51,706	9,221	42,486	17.8	24.9	24.5	27.1
Fourth Quintile	2,852	11.4	79,541	17,458	62,083	22.0	21.0	19.6	28.0
Top Quintile	1,277	5.1	185,233	49,293	135,939	26.6	21.9	19.2	35.4
All	25,098	100.0	43,145	7,081	36,064	16.4	100.0	100.0	100.0
<b>Addendum</b>									
80-90	829	3.3	116,286	28,884	87,402	24.8	8.9	8.0	13.5
90-95	231	0.9	160,414	41,125	119,288	25.6	3.4	3.0	5.4
95-99	183	0.7	286,559	72,485	214,074	25.3	4.8	4.3	7.5
Top 1 Percent	34	0.1	1,486,374	476,410	1,009,965	32.1	4.7	3.8	9.2
Top 0.1 Percent	3	0.0	7,504,908	2,610,763	4,894,145	34.8	2.0	1.5	4.1

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

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$13,465, 40% \$25,159, 60% \$42,626, 80% \$69,583, 90% \$100,255, 95% \$141,875, 99% \$375,887, 99.9% \$1,773,679.

(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.8	0.0	-6.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.3	0.0	10.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.4	0.0	18.4
Fourth Quintile	0.0	0.0	0.0	0.1	0	0.0	-0.1	20.2	0.0	22.6
Top Quintile	0.0	19.6	-0.3	99.4	647	0.7	0.2	66.9	0.2	29.3
All	0.0	3.3	-0.2	100.0	110	0.5	0.0	100.0	0.1	23.9
<b>Addendum</b>										
80-90	0.0	0.2	0.0	0.1	1	0.0	-0.1	15.5	0.0	25.5
90-95	0.0	9.6	0.0	0.8	23	0.0	0.0	10.5	0.0	26.8
95-99	0.0	69.4	-0.3	23.6	803	0.7	0.0	16.5	0.2	29.0
Top 1 Percent	0.0	85.1	-0.7	74.9	10,627	1.4	0.2	24.4	0.5	34.1
Top 0.1 Percent	0.0	97.0	-0.9	39.4	59,488	1.6	0.1	11.5	0.6	35.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	10,210	20.7	15,173	-932	16,106	-6.2	3.2	4.4	-0.8	
Second Quintile	10,390	21.1	35,594	3,660	31,934	10.3	7.6	8.9	3.3	
Middle Quintile	10,271	20.8	63,886	11,783	52,104	18.4	13.4	14.4	10.4	
Fourth Quintile	9,840	19.9	106,312	24,013	82,299	22.6	21.4	21.7	20.3	
Top Quintile	8,341	16.9	320,674	93,183	227,492	29.1	54.7	50.9	66.8	
All	49,348	100.0	99,072	23,595	75,477	23.8	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	4,394	8.9	162,434	41,378	121,055	25.5	14.6	14.3	15.6	
90-95	1,968	4.0	232,110	62,186	169,924	26.8	9.3	9.0	10.5	
95-99	1,596	3.2	417,786	120,265	297,521	28.8	13.6	12.8	16.5	
Top 1 Percent	382	0.8	2,190,996	735,470	1,455,526	33.6	17.1	14.9	24.1	
Top 0.1 Percent	36	0.1	10,411,968	3,673,877	6,738,090	35.3	7.7	6.5	11.3	

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

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

(1) Calendar year. Baseline is current law. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$13,465, 40% \$25,159, 60% \$42,626, 80% \$69,583, 90% \$100,255, 95% \$141,875, 99% \$375,887, 99.9% \$1,773,679.

(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 T10-0031**  
**0.9 Percent Surcharge on Earnings and Investment Income in Excess of \$200,000 (\$250,000 Married)**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.8	0.0	4.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.7	0.0	6.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.7	0.0	12.6
Top Quintile	0.0	7.2	-0.2	99.7	429	0.6	0.1	83.4	0.2	26.9
All	0.0	1.3	-0.1	100.0	76	0.5	0.0	100.0	0.1	19.9
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.4	0.0	18.7
90-95	0.0	0.1	0.0	0.0	0	0.0	-0.1	9.7	0.0	21.3
95-99	0.0	9.2	0.0	3.4	61	0.1	-0.1	20.0	0.0	25.8
Top 1 Percent	0.0	67.1	-0.5	96.2	5,620	1.1	0.3	43.4	0.4	32.8
Top 0.1 Percent	0.0	93.4	-0.8	62.4	34,333	1.4	0.2	22.4	0.5	35.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	5,122	16.4	11,258	289	10,969	2.6	2.4	2.9	0.3
Second Quintile	8,579	27.4	22,972	994	21,978	4.3	8.2	9.7	1.8
Middle Quintile	6,256	20.0	41,671	2,865	38,805	6.9	10.8	12.5	3.8
Fourth Quintile	5,579	17.8	73,112	9,205	63,907	12.6	16.9	18.4	10.7
Top Quintile	5,563	17.8	268,318	71,605	196,713	26.7	61.8	56.5	83.3
All	31,333	100.0	77,032	15,256	61,775	19.8	100.0	100.0	100.0
<b>Addendum</b>									
80-90	2,423	7.7	109,937	20,581	89,356	18.7	11.0	11.2	10.4
90-95	1,382	4.4	158,053	33,658	124,395	21.3	9.1	8.9	9.7
95-99	1,348	4.3	276,519	71,138	205,381	25.7	15.5	14.3	20.1
Top 1 Percent	410	1.3	1,548,895	502,549	1,046,345	32.5	26.3	22.2	43.1
Top 0.1 Percent	44	0.1	6,915,532	2,439,382	4,476,149	35.3	12.5	10.1	22.2

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

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. Proposal would impose an additional 0.9% tax on earnings as defined for purposes of the Hospital Insurance Tax plus investment income. Investment income would include taxable interest, dividends, net positive capital gains, net positive income from estates and trusts, net positive income from rents, and net positive income from royalties. Tax would be imposed on earnings plus investment income in excess of \$200,000 (\$250,000 for married couples filing a joint return). The threshold would not be indexed for inflation.

(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% \$13,465, 40% \$25,159, 60% \$42,626, 80% \$69,583, 90% \$100,255, 95% \$141,875, 99% \$375,887, 99.9% \$1,773,679.

(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.