

**Table T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Less than 10</b>	25.9	0.0	2.9	0.7	-161	-2.7	3.4
<b>10-20</b>	55.5	0.9	2.5	2.8	-398	-2.4	2.8
<b>20-30</b>	70.3	0.5	2.9	4.7	-735	-2.6	6.9
<b>30-40</b>	84.4	0.7	3.0	5.0	-1,009	-2.6	11.4
<b>40-50</b>	90.1	0.3	3.0	4.7	-1,264	-2.5	14.4
<b>50-75</b>	95.3	0.1	3.0	11.2	-1,703	-2.5	17.2
<b>75-100</b>	98.9	0.1	3.8	12.3	-2,878	-2.9	19.1
<b>100-200</b>	99.3	0.1	4.4	35.8	-5,097	-3.3	21.6
<b>200-500</b>	98.5	1.1	4.0	20.7	-9,320	-2.9	24.7
<b>500-1,000</b>	73.1	26.2	1.1	2.1	-6,089	-0.8	27.4
<b>More than 1,000</b>	50.3	49.3	0.0	-0.1	686	0.0	32.0
<b>All</b>	78.3	0.8	3.1	100.0	-2,108	-2.4	21.3

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

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 5.4

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deductions to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	25.9	0.0	2.9	0.7	-161	-44.5	-0.1	0.1	-2.7	3.4
10-20	55.5	0.9	2.5	2.8	-398	-45.4	-0.2	0.4	-2.4	2.8
20-30	70.3	0.5	2.9	4.7	-735	-27.4	-0.3	1.4	-2.6	6.9
30-40	84.4	0.7	3.0	5.0	-1,009	-18.3	-0.3	2.5	-2.6	11.4
40-50	90.1	0.3	3.0	4.7	-1,264	-14.8	-0.2	3.0	-2.5	14.4
50-75	95.3	0.1	3.0	11.2	-1,703	-12.4	-0.3	8.8	-2.5	17.2
75-100	98.9	0.1	3.8	12.3	-2,878	-13.3	-0.3	8.9	-2.9	19.1
100-200	99.3	0.1	4.4	35.8	-5,097	-13.3	-1.0	25.9	-3.3	21.6
200-500	98.5	1.1	4.0	20.7	-9,320	-10.6	-0.1	19.4	-2.9	24.7
500-1,000	73.1	26.2	1.1	2.1	-6,089	-2.8	0.6	8.2	-0.8	27.4
More than 1,000	50.3	49.3	0.0	-0.1	686	0.1	2.2	21.5	0.0	32.0
All	78.3	0.8	3.1	100.0	-2,108	-10.0	0.0	100.0	-2.4	21.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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							
Less than 10	16,215	9.7	5,908	363	5,546	6.1	0.6	0.8	0.2
10-20	24,797	14.8	16,936	878	16,058	5.2	2.8	3.5	0.6
20-30	22,579	13.4	28,073	2,680	25,393	9.6	4.2	5.0	1.7
30-40	17,421	10.4	39,342	5,502	33,839	14.0	4.6	5.1	2.7
40-50	13,134	7.8	50,658	8,566	42,092	16.9	4.4	4.8	3.2
50-75	23,358	13.9	69,602	13,689	55,914	19.7	10.8	11.4	9.0
75-100	15,172	9.0	98,034	21,608	76,426	22.0	9.9	10.1	9.2
100-200	24,845	14.8	154,274	38,347	115,927	24.9	25.5	25.1	26.8
200-500	7,879	4.7	318,727	87,880	230,847	27.6	16.7	15.9	19.5
500-1,000	1,244	0.7	768,616	216,566	552,050	28.2	6.4	6.0	7.6
More than 1,000	656	0.4	3,278,481	1,048,670	2,229,811	32.0	14.3	12.7	19.4
All	168,027	100.0	89,404	21,128	68,276	23.6	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 5.4

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deductions to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	20.0	0.0	2.1	1.7	-114	-21.8	-0.1	0.6	-1.9	6.9
10-20	52.4	1.2	1.6	4.7	-241	-17.0	-0.2	2.3	-1.4	7.0
20-30	63.7	0.3	1.8	7.0	-431	-12.9	-0.2	4.7	-1.5	10.4
30-40	84.0	0.2	1.8	6.5	-602	-9.4	0.0	6.3	-1.5	14.9
40-50	95.3	0.1	2.1	6.5	-853	-8.5	0.1	7.0	-1.7	18.1
50-75	98.4	0.1	2.4	15.4	-1,266	-7.9	0.2	18.0	-1.8	21.4
75-100	98.9	0.0	3.6	15.3	-2,606	-10.4	-0.2	13.2	-2.7	23.3
100-200	98.9	0.0	4.1	25.0	-4,475	-11.0	-0.4	20.2	-3.0	24.2
200-500	96.1	3.3	4.8	14.3	-10,968	-11.9	-0.3	10.6	-3.4	25.2
500-1,000	75.2	24.2	2.8	3.2	-14,926	-6.5	0.1	4.6	-2.0	28.3
More than 1,000	50.0	49.3	0.2	0.5	-4,571	-0.4	1.1	12.5	-0.1	34.5
All	68.4	0.5	2.7	100.0	-1,061	-9.1	0.0	100.0	-2.1	20.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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							
Less than 10	11,695	15.4	5,914	523	5,391	8.8	1.8	2.1	0.7
10-20	15,726	20.8	16,831	1,415	15,415	8.4	6.8	8.1	2.5
20-30	12,959	17.1	27,940	3,333	24,607	11.9	9.3	10.6	4.9
30-40	8,637	11.4	39,191	6,436	32,755	16.4	8.7	9.4	6.3
40-50	6,106	8.1	50,583	10,018	40,565	19.8	7.9	8.2	6.9
50-75	9,784	12.9	68,911	16,020	52,891	23.3	17.3	17.2	17.8
75-100	4,704	6.2	96,752	25,107	71,645	26.0	11.7	11.2	13.4
100-200	4,486	5.9	149,576	40,640	108,935	27.2	17.3	16.3	20.7
200-500	1,049	1.4	321,073	91,961	229,112	28.6	8.7	8.0	10.9
500-1,000	171	0.2	754,752	228,495	526,257	30.3	3.3	3.0	4.4
More than 1,000	91	0.1	3,190,369	1,106,113	2,084,256	34.7	7.5	6.3	11.4
All	75,772	100.0	51,323	11,651	39,672	22.7	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction s to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10,15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	21.1	0.0	3.1	0.1	-142	-42.8	0.0	0.0	-2.9	3.9
10-20	43.4	0.1	2.7	0.7	-445	-64.2	-0.1	0.0	-2.6	1.4
20-30	68.3	0.6	3.9	2.1	-1,031	-51.7	-0.2	0.2	-3.6	3.4
30-40	72.9	2.6	3.7	2.5	-1,333	-33.7	-0.2	0.5	-3.4	6.6
40-50	76.3	0.7	3.3	2.6	-1,487	-24.5	-0.2	0.8	-2.9	9.0
50-75	90.3	0.2	3.0	7.2	-1,817	-16.7	-0.3	3.7	-2.6	12.8
75-100	98.8	0.1	3.7	11.1	-2,971	-15.4	-0.4	6.4	-3.0	16.5
100-200	99.5	0.1	4.5	44.8	-5,338	-14.1	-1.5	28.5	-3.4	20.8
200-500	99.1	0.6	4.0	26.9	-9,185	-10.5	-0.3	23.9	-2.9	24.5
500-1,000	73.1	26.1	0.9	2.2	-4,779	-2.2	0.8	10.1	-0.6	27.3
More than 1,000	50.8	48.9	0.0	-0.2	856	0.1	2.5	25.7	0.0	31.6
All	85.8	1.2	3.1	100.0	-3,583	-9.5	0.0	100.0	-2.4	22.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income	Post-Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	2,095	3.4	4,940	332	4,608	6.7	0.1	0.1	0.0
10-20	3,373	5.4	17,442	694	16,749	4.0	0.6	0.8	0.1
20-30	4,561	7.3	28,314	1,995	26,319	7.1	1.4	1.7	0.4
30-40	4,231	6.8	39,539	3,952	35,587	10.0	1.8	2.1	0.7
40-50	3,895	6.2	50,793	6,075	44,718	12.0	2.1	2.4	1.0
50-75	8,857	14.1	70,578	10,866	59,712	15.4	6.5	7.4	4.1
75-100	8,368	13.4	98,940	19,340	79,600	19.6	8.7	9.3	6.8
100-200	18,811	30.0	156,176	37,881	118,295	24.3	30.7	30.9	30.0
200-500	6,581	10.5	318,135	87,262	230,873	27.4	21.9	21.1	24.2
500-1,000	1,028	1.6	771,528	215,245	556,283	27.9	8.3	8.0	9.3
More than 1,000	539	0.9	3,241,902	1,021,854	2,220,048	31.5	18.3	16.6	23.2
All	62,623	100.0	152,719	37,884	114,835	24.8	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction s to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10,15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	60.3	0.2	5.9	2.2	-424	95.5	-0.6	-1.1	-6.3	-12.8
10-20	70.4	0.3	4.7	9.9	-821	128.3	-2.8	-4.3	-4.9	-8.6
20-30	88.8	1.1	4.8	13.5	-1,274	-91.9	-2.6	0.3	-4.5	0.4
30-40	95.8	0.1	4.4	14.4	-1,521	-30.6	-1.3	8.0	-3.9	8.8
40-50	97.0	0.2	4.4	11.4	-1,834	-21.5	-0.2	10.2	-3.6	13.2
50-75	98.4	0.0	4.3	22.2	-2,401	-17.4	0.7	25.7	-3.5	16.5
75-100	99.7	0.0	4.2	12.4	-3,119	-14.0	1.2	18.6	-3.2	19.7
100-200	98.7	0.0	3.6	11.3	-3,916	-10.6	2.4	23.3	-2.7	22.7
200-500	94.3	5.3	2.6	2.7	-6,206	-7.3	1.1	8.2	-1.9	24.5
500-1,000	71.4	28.4	0.6	0.3	-3,552	-1.8	0.6	3.4	-0.5	25.3
More than 1,000	41.5	58.3	-0.3	-0.2	5,638	0.6	1.5	7.7	0.2	32.7
All	87.2	0.4	4.1	100.0	-1,663	-19.7	0.0	100.0	-3.4	13.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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							
Less than 10	2,304	8.5	6,774	-444	7,218	-6.6	1.2	1.5	-0.5
10-20	5,449	20.1	16,933	-640	17,573	-3.8	6.9	8.7	-1.5
20-30	4,772	17.6	28,154	1,386	26,768	4.9	10.1	11.6	2.9
30-40	4,273	15.7	39,404	4,967	34,437	12.6	12.6	13.4	9.2
40-50	2,807	10.3	50,563	8,521	42,042	16.9	10.7	10.7	10.4
50-75	4,174	15.4	69,037	13,776	55,261	20.0	21.6	20.9	25.0
75-100	1,797	6.6	97,064	22,226	74,837	22.9	13.1	12.2	17.4
100-200	1,307	4.8	144,888	36,826	108,062	25.4	14.2	12.8	21.0
200-500	193	0.7	321,478	84,827	236,651	26.4	4.7	4.1	7.1
500-1,000	33	0.1	753,921	194,200	559,721	25.8	1.8	1.7	2.8
More than 1,000	14	0.1	3,150,113	1,025,820	2,124,293	32.6	3.2	2.6	6.1
All	27,175	100.0	49,021	8,451	40,570	17.2	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction s to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10,15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	63.8	0.2	6.6	0.7	-470	69.6	-0.1	-0.3	-7.3	-17.7
10-20	82.4	0.2	5.8	3.3	-1,063	81.2	-0.5	-1.0	-6.2	-13.9
20-30	94.4	0.4	6.4	5.5	-1,728	-172.1	-0.7	-0.3	-6.1	-2.6
30-40	98.2	0.1	5.8	5.7	-1,998	-42.7	-0.6	1.1	-5.1	6.8
40-50	98.8	0.1	5.4	5.1	-2,289	-27.7	-0.4	1.9	-4.5	11.8
50-75	99.3	0.0	4.8	11.4	-2,706	-20.4	-0.6	6.4	-3.9	15.1
75-100	99.8	0.0	5.0	12.1	-3,832	-18.0	-0.5	7.9	-3.9	17.7
100-200	99.9	0.0	5.2	37.4	-6,064	-15.5	-1.0	29.1	-3.9	21.3
200-500	99.0	0.8	4.0	18.9	-9,182	-10.3	0.6	23.7	-2.9	25.4
500-1,000	68.0	31.9	0.6	0.9	-3,010	-1.3	1.1	9.6	-0.4	29.3
More than 1,000	41.5	58.3	-0.4	-1.1	7,600	0.7	2.9	21.8	0.2	33.5
All	94.4	0.8	4.1	100.0	-3,457	-12.5	0.0	100.0	-3.1	21.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income	Post-Tax Income	Federal Taxes
Less than 10	2,635	5.2	6,478	-676	7,154	-10.4	0.3	0.4	-0.1
10-20	5,388	10.6	17,070	-1,309	18,379	-7.7	1.6	2.3	-0.5
20-30	5,564	11.0	28,138	1,004	27,134	3.6	2.7	3.5	0.4
30-40	5,003	9.8	39,431	4,679	34,752	11.9	3.4	4.0	1.7
40-50	3,876	7.6	50,726	8,259	42,467	16.3	3.4	3.8	2.3
50-75	7,421	14.6	70,003	13,267	56,736	19.0	9.0	9.7	7.0
75-100	5,569	11.0	98,591	21,282	77,309	21.6	9.6	9.9	8.4
100-200	10,848	21.3	155,168	39,031	116,137	25.2	29.3	29.0	30.2
200-500	3,616	7.1	316,702	89,608	227,094	28.3	19.9	18.9	23.1
500-1,000	526	1.0	767,436	228,061	539,375	29.7	7.0	6.5	8.5
More than 1,000	248	0.5	3,235,110	1,074,582	2,160,527	33.2	14.0	12.3	19.0
All	50,838	100.0	113,062	27,626	85,435	24.4	100.0	100.0	100.0

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. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deductions to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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 T10-0040**  
**Administration's FY2011 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2017<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	4.2	0.0	0.3	0.1	-16	-7.7	0.0	0.1	-0.3	3.0
10-20	14.5	0.1	0.5	0.8	-84	-19.7	-0.1	0.4	-0.5	2.0
20-30	29.2	0.1	0.6	1.7	-167	-16.3	-0.1	1.1	-0.6	3.1
30-40	51.0	0.4	1.2	2.6	-426	-18.4	-0.1	1.5	-1.1	4.9
40-50	61.5	0.2	2.0	3.4	-919	-24.9	-0.2	1.3	-1.8	5.5
50-75	80.0	0.1	2.1	8.0	-1,319	-17.7	-0.4	4.8	-1.9	8.7
75-100	97.1	0.0	4.0	13.8	-3,302	-20.7	-0.8	6.8	-3.4	12.9
100-200	98.3	0.1	4.4	33.2	-5,435	-17.4	-1.5	20.4	-3.5	16.8
200-500	98.1	0.8	5.3	27.4	-12,842	-15.5	-0.9	19.2	-3.9	21.4
500-1,000	81.7	15.7	2.5	6.0	-14,395	-7.0	0.5	10.3	-1.9	24.8
More than 1,000	59.7	39.9	0.6	3.1	-12,398	-1.2	3.5	34.1	-0.4	31.5
All	52.6	0.5	2.7	100.0	-1,929	-11.4	0.0	100.0	-2.2	17.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2017<sup>1</sup>**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</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							
Less than 10	2,117	6.0	6,279	204	6,075	3.3	0.4	0.5	0.1
10-20	6,783	19.3	17,295	426	16,869	2.5	3.8	4.6	0.5
20-30	6,705	19.1	27,823	1,025	26,798	3.7	6.1	7.3	1.2
30-40	4,064	11.6	39,113	2,322	36,791	5.9	5.2	6.1	1.6
40-50	2,488	7.1	50,430	3,694	46,736	7.3	4.1	4.7	1.6
50-75	4,128	11.7	70,261	7,453	62,808	10.6	9.5	10.5	5.2
75-100	2,835	8.1	98,110	15,995	82,114	16.3	9.1	9.4	7.6
100-200	4,144	11.8	154,364	31,304	123,059	20.3	20.9	20.6	21.8
200-500	1,447	4.1	326,836	82,660	244,176	25.3	15.4	14.3	20.1
500-1,000	281	0.8	775,689	206,996	568,693	26.7	7.1	6.5	9.8
More than 1,000	171	0.5	3,329,917	1,062,111	2,267,806	31.9	18.6	15.7	30.6
All	35,193	100.0	87,173	16,901	70,272	19.4	100.0	100.0	100.0

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. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction s to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals including marriage penalty relief, the 10,15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets.

(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.