

Table T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017 ¹
Summary Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	25.1	0.0	2.8	-3.1	-156	-2.6	3.4
10-20	31.4	0.8	1.7	-8.2	-268	-1.6	2.8
20-30	34.9	1.0	1.0	-7.0	-252	-0.9	6.9
30-40	40.4	1.3	0.7	-5.3	-248	-0.6	11.4
40-50	40.1	0.5	0.6	-4.3	-265	-0.5	14.4
50-75	36.5	0.3	0.5	-7.4	-256	-0.4	17.2
75-100	32.3	0.1	0.3	-4.3	-230	-0.2	19.1
100-200	23.5	0.2	0.2	-8.0	-262	-0.2	21.6
200-500	12.5	26.8	-0.4	9.1	932	0.3	24.7
500-1,000	2.6	84.8	-3.0	26.8	17,476	2.3	27.4
More than 1,000	1.1	91.2	-5.8	111.9	138,298	4.2	32.0
All	31.2	2.7	-0.7	100.0	482	0.5	21.3

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

Number of AMT Taxpayers (millions). Baseline: 6.6 Proposal: 5.4

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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 T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	25.1	0.0	2.8	-3.1	-156	-43.6	-0.1	0.1	-2.6	3.4
10-20	31.4	0.8	1.7	-8.2	-268	-35.8	-0.2	0.4	-1.6	2.8
20-30	34.9	1.0	1.0	-7.0	-252	-11.5	-0.2	1.4	-0.9	6.9
30-40	40.4	1.3	0.7	-5.3	-248	-5.2	-0.2	2.5	-0.6	11.4
40-50	40.1	0.5	0.6	-4.3	-265	-3.5	-0.2	3.0	-0.5	14.4
50-75	36.5	0.3	0.5	-7.4	-256	-2.1	-0.4	8.8	-0.4	17.2
75-100	32.3	0.1	0.3	-4.3	-230	-1.2	-0.3	8.9	-0.2	19.1
100-200	23.5	0.2	0.2	-8.0	-262	-0.8	-0.9	25.9	-0.2	21.6
200-500	12.5	26.8	-0.4	9.1	932	1.2	-0.3	19.4	0.3	24.7
500-1,000	2.6	84.8	-3.0	26.8	17,476	9.1	0.5	8.2	2.3	27.4
More than 1,000	1.1	91.2	-5.8	111.9	138,298	15.2	2.4	21.5	4.2	32.0
All	31.2	2.7	-0.7	100.0	482	2.6	0.0	100.0	0.5	21.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income 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	357	5,551	6.0	0.6	0.8	0.2
10-20	24,797	14.8	16,936	747	16,189	4.4	2.8	3.4	0.6
20-30	22,579	13.4	28,073	2,198	25,875	7.8	4.2	4.9	1.6
30-40	17,421	10.4	39,342	4,742	34,600	12.1	4.6	5.1	2.7
40-50	13,134	7.8	50,658	7,567	43,091	14.9	4.4	4.8	3.2
50-75	23,358	13.9	69,602	12,242	57,361	17.6	10.8	11.3	9.2
75-100	15,172	9.0	98,034	18,959	79,074	19.3	9.9	10.1	9.2
100-200	24,845	14.8	154,274	33,511	120,762	21.7	25.5	25.2	26.7
200-500	7,879	4.7	318,727	77,629	241,098	24.4	16.7	16.0	19.6
500-1,000	1,244	0.7	768,616	193,001	575,615	25.1	6.4	6.0	7.7
More than 1,000	656	0.4	3,278,481	911,059	2,367,423	27.8	14.3	13.0	19.2
All	168,027	100.0	89,404	18,538	70,866	20.7	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 6.6 Proposal: 5.4

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

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Table T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	19.3	0.0	2.1	-20.3	-113	-21.7	-0.2	0.6	-1.9	6.9
10-20	19.2	1.1	0.8	-28.7	-119	-9.2	-0.3	2.3	-0.7	7.0
20-30	24.2	0.7	0.5	-25.7	-130	-4.3	-0.3	4.7	-0.5	10.4
30-40	32.1	0.2	0.5	-19.7	-149	-2.5	-0.2	6.3	-0.4	14.9
40-50	24.2	0.1	0.3	-12.9	-138	-1.5	-0.2	7.0	-0.3	18.1
50-75	17.1	0.0	0.3	-22.4	-150	-1.0	-0.3	18.0	-0.2	21.4
75-100	14.5	0.1	0.2	-10.6	-147	-0.7	-0.2	13.2	-0.2	23.3
100-200	7.1	0.0	0.1	-5.4	-78	-0.2	-0.2	20.2	-0.1	24.2
200-500	6.5	43.4	-0.6	24.9	1,545	2.0	0.1	10.6	0.5	25.2
500-1,000	3.1	80.4	-2.9	42.4	16,173	8.2	0.3	4.6	2.1	28.3
More than 1,000	0.1	88.5	-5.8	178.8	128,011	13.2	1.4	12.5	4.0	34.5
All	20.4	1.3	-0.2	100.0	86	0.8	0.0	100.0	0.2	20.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income 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	522	5,392	8.8	1.8	2.0	0.8
10-20	15,726	20.8	16,831	1,293	15,537	7.7	6.8	7.9	2.6
20-30	12,959	17.1	27,940	3,032	24,908	10.9	9.3	10.4	4.9
30-40	8,637	11.4	39,191	5,983	33,207	15.3	8.7	9.3	6.5
40-50	6,106	8.1	50,583	9,303	41,280	18.4	7.9	8.2	7.1
50-75	9,784	12.9	68,911	14,903	54,008	21.6	17.3	17.1	18.3
75-100	4,704	6.2	96,752	22,648	74,104	23.4	11.7	11.3	13.4
100-200	4,486	5.9	149,576	36,244	113,332	24.2	17.3	16.4	20.4
200-500	1,049	1.4	321,073	79,447	241,626	24.7	8.7	8.2	10.5
500-1,000	171	0.2	754,752	197,396	557,357	26.2	3.3	3.1	4.2
More than 1,000	91	0.1	3,190,369	973,531	2,216,839	30.5	7.5	6.5	11.2
All	75,772	100.0	51,323	10,504	40,819	20.5	100.0	100.0	100.0

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

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

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(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	19.8	0.0	2.5	-0.3	-114	-37.5	0.0	0.0	-2.3	3.9
10-20	37.6	0.0	1.9	-1.3	-316	-55.9	-0.1	0.0	-1.8	1.4
20-30	44.6	0.4	1.4	-2.2	-383	-28.4	-0.1	0.2	-1.4	3.4
30-40	44.8	3.3	1.0	-1.9	-354	-11.9	-0.1	0.5	-0.9	6.6
40-50	49.1	1.6	0.8	-1.8	-382	-7.7	-0.1	0.8	-0.8	9.0
50-75	53.3	0.7	0.5	-3.5	-315	-3.4	-0.3	3.7	-0.5	12.8
75-100	42.3	0.1	0.3	-2.5	-240	-1.5	-0.4	6.4	-0.2	16.5
100-200	28.1	0.0	0.3	-7.4	-317	-1.0	-1.4	28.5	-0.2	20.8
200-500	13.6	23.4	-0.3	6.6	805	1.0	-0.7	23.9	0.3	24.5
500-1,000	2.6	85.2	-3.1	22.6	17,691	9.2	0.5	10.1	2.3	27.3
More than 1,000	1.3	91.4	-5.8	91.8	137,358	15.5	2.6	25.7	4.2	31.6
All	35.3	5.1	-1.1	100.0	1,288	3.9	0.0	100.0	0.8	22.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income 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	2,095	3.4	4,940	304	4,636	6.2	0.1	0.1	0.0
10-20	3,373	5.4	17,442	564	16,878	3.2	0.6	0.8	0.1
20-30	4,561	7.3	28,314	1,346	26,968	4.8	1.4	1.6	0.3
30-40	4,231	6.8	39,539	2,974	36,565	7.5	1.8	2.1	0.6
40-50	3,895	6.2	50,793	4,970	45,823	9.8	2.1	2.4	0.9
50-75	8,857	14.1	70,578	9,365	61,214	13.3	6.5	7.2	4.0
75-100	8,368	13.4	98,940	16,609	82,331	16.8	8.7	9.2	6.7
100-200	18,811	30.0	156,176	32,861	123,316	21.0	30.7	30.9	29.9
200-500	6,581	10.5	318,135	77,273	240,862	24.3	21.9	21.2	24.6
500-1,000	1,028	1.6	771,528	192,775	578,753	25.0	8.3	7.9	9.6
More than 1,000	539	0.9	3,241,902	885,351	2,356,551	27.3	18.3	17.0	23.1
All	62,623	100.0	152,719	33,013	119,706	21.6	100.0	100.0	100.0

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

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Table T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	60.1	0.2	5.8	9.9	-416	92.3	-0.6	-1.1	-6.2	-12.8
10-20	63.4	0.3	3.8	38.0	-674	85.6	-2.1	-4.3	-4.0	-8.6
20-30	54.6	2.6	1.7	23.2	-469	-80.7	-1.1	0.3	-1.7	0.4
30-40	53.6	1.7	1.0	15.8	-356	-9.4	-0.4	8.0	-0.9	8.8
40-50	64.4	0.2	0.9	11.8	-405	-5.7	-0.1	10.2	-0.8	13.2
50-75	49.4	0.0	0.7	17.3	-401	-3.4	0.4	25.7	-0.6	16.5
75-100	36.6	0.0	0.6	7.9	-425	-2.2	0.5	18.6	-0.4	19.7
100-200	16.4	0.0	0.1	2.2	-160	-0.5	1.1	23.3	-0.1	22.7
200-500	9.0	34.6	-0.4	-1.7	863	1.1	0.5	8.2	0.3	24.5
500-1,000	2.3	92.6	-2.7	-5.3	15,670	9.0	0.4	3.4	2.1	25.3
More than 1,000	0.2	96.6	-6.0	-19.3	135,750	15.2	1.3	7.7	4.3	32.7
All	53.4	1.2	0.9	100.0	-355	-5.0	0.0	100.0	-0.7	13.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

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	Number (thousands)	Percent of Total							
Less than 10	2,304	8.5	6,774	-451	7,225	-6.7	1.2	1.5	-0.5
10-20	5,449	20.1	16,933	-788	17,720	-4.7	6.9	8.5	-2.2
20-30	4,772	17.6	28,154	581	27,573	2.1	10.1	11.6	1.4
30-40	4,273	15.7	39,404	3,803	35,602	9.7	12.6	13.4	8.4
40-50	2,807	10.3	50,563	7,092	43,470	14.0	10.7	10.7	10.3
50-75	4,174	15.4	69,037	11,777	57,261	17.1	21.6	21.0	25.3
75-100	1,797	6.6	97,064	19,532	77,532	20.1	13.1	12.2	18.1
100-200	1,307	4.8	144,888	33,070	111,817	22.8	14.2	12.8	22.3
200-500	193	0.7	321,478	77,757	243,721	24.2	4.7	4.1	7.7
500-1,000	33	0.1	753,921	174,978	578,943	23.2	1.8	1.7	2.9
More than 1,000	14	0.1	3,150,113	895,707	2,254,406	28.4	3.2	2.7	6.3
All	27,175	100.0	49,021	7,144	41,877	14.6	100.0	100.0	100.0

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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 T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	63.6	0.2	6.2	-4.6	-447	64.0	-0.1	-0.3	-6.9	-17.7
10-20	77.7	0.2	4.6	-18.1	-859	56.8	-0.4	-1.0	-5.0	-13.9
20-30	68.9	1.6	2.3	-14.4	-658	989.8	-0.3	-0.3	-2.3	-2.6
30-40	68.1	1.3	1.5	-10.6	-538	-16.7	-0.3	1.1	-1.4	6.8
40-50	73.6	0.3	1.3	-8.7	-571	-8.7	-0.2	1.9	-1.1	11.8
50-75	63.0	0.1	0.8	-13.7	-471	-4.3	-0.4	6.4	-0.7	15.1
75-100	52.2	0.0	0.5	-8.7	-396	-2.2	-0.4	7.9	-0.4	17.7
100-200	36.7	0.1	0.4	-20.1	-472	-1.4	-1.0	29.1	-0.3	21.3
200-500	15.6	23.4	-0.3	11.3	796	1.0	-0.3	23.7	0.3	25.4
500-1,000	2.1	92.9	-3.6	41.7	20,239	9.9	0.7	9.6	2.6	29.3
More than 1,000	1.0	96.9	-6.5	146.0	150,182	16.1	2.6	21.8	4.6	33.5
All	55.4	3.5	-0.6	100.0	502	2.1	0.0	100.0	0.4	21.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income 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	2,635	5.2	6,478	-699	7,177	-10.8	0.3	0.4	-0.2
10-20	5,388	10.6	17,070	-1,514	18,583	-8.9	1.6	2.2	-0.7
20-30	5,564	11.0	28,138	-66	28,204	-0.2	2.7	3.5	0.0
30-40	5,003	9.8	39,431	3,219	36,212	8.2	3.4	4.0	1.3
40-50	3,876	7.6	50,726	6,541	44,185	12.9	3.4	3.8	2.1
50-75	7,421	14.6	70,003	11,032	58,971	15.8	9.0	9.6	6.8
75-100	5,569	11.0	98,591	17,846	80,745	18.1	9.6	9.9	8.3
100-200	10,848	21.3	155,168	33,439	121,729	21.6	29.3	29.1	30.2
200-500	3,616	7.1	316,702	79,631	237,071	25.1	19.9	18.9	23.9
500-1,000	526	1.0	767,436	204,812	562,624	26.7	7.0	6.5	9.0
More than 1,000	248	0.5	3,235,110	932,000	2,303,109	28.8	14.0	12.6	19.2
All	50,838	100.0	113,062	23,668	89,393	20.9	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. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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 T10-0042
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	4.0	0.0	0.2	-0.1	-13	-6.3	0.0	0.1	-0.2	3.0
10-20	3.8	0.0	0.1	-0.4	-15	-4.1	0.0	0.4	-0.1	2.0
20-30	5.5	0.0	0.1	-0.5	-18	-2.1	-0.1	1.1	-0.1	3.1
30-40	8.0	0.3	0.1	-0.4	-25	-1.3	-0.1	1.5	-0.1	4.9
40-50	7.7	0.3	0.1	-0.3	-29	-1.0	-0.1	1.3	-0.1	5.5
50-75	9.9	0.3	0.1	-0.6	-38	-0.6	-0.3	4.8	-0.1	8.7
75-100	12.5	0.0	0.1	-0.6	-53	-0.4	-0.4	6.8	-0.1	12.9
100-200	7.7	0.2	0.0	-0.8	-47	-0.2	-1.1	20.4	0.0	16.8
200-500	8.7	29.2	-0.4	5.8	1,041	1.5	-0.7	19.2	0.3	21.4
500-1,000	2.4	75.3	-2.2	14.1	13,006	7.2	0.2	10.3	1.7	24.8
More than 1,000	1.0	90.2	-5.2	83.6	126,071	13.7	2.6	34.1	3.8	31.5
All	7.0	2.4	-1.0	100.0	734	5.2	0.0	100.0	0.8	17.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income 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	201	6,078	3.2	0.4	0.5	0.1
10-20	6,783	19.3	17,295	357	16,938	2.1	3.8	4.5	0.5
20-30	6,705	19.1	27,823	877	26,946	3.2	6.1	7.0	1.2
30-40	4,064	11.6	39,113	1,921	37,192	4.9	5.2	5.9	1.6
40-50	2,488	7.1	50,430	2,804	47,626	5.6	4.1	4.6	1.4
50-75	4,128	11.7	70,261	6,172	64,089	8.8	9.5	10.3	5.1
75-100	2,835	8.1	98,110	12,746	85,364	13.0	9.1	9.4	7.2
100-200	4,144	11.8	154,364	25,916	128,448	16.8	20.9	20.7	21.4
200-500	1,447	4.1	326,836	68,777	258,059	21.0	15.4	14.6	19.9
500-1,000	281	0.8	775,689	179,595	596,095	23.2	7.1	6.5	10.1
More than 1,000	171	0.5	3,329,917	923,643	2,406,274	27.7	18.6	16.1	31.6
All	35,193	100.0	87,173	14,239	72,935	16.3	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. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

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