

**Table T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012<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 (%)	Under the Proposal
<b>Lowest Quintile</b>	2.4	0.0	0.0	0.5	-4	0.0	4.9
<b>Second Quintile</b>	15.6	0.0	0.2	6.7	-58	-0.2	11.2
<b>Middle Quintile</b>	23.7	0.0	0.2	8.1	-77	-0.2	17.0
<b>Fourth Quintile</b>	39.3	0.0	0.4	22.0	-251	-0.3	19.9
<b>Top Quintile</b>	70.5	0.0	0.4	62.7	-818	-0.3	26.7
<b>All</b>	25.9	0.0	0.3	100.0	-193	-0.3	22.0
<b>Addendum</b>							
<b>80-90</b>	74.2	0.0	0.8	33.5	-870	-0.6	22.3
<b>90-95</b>	77.6	0.0	0.6	17.1	-904	-0.5	23.4
<b>95-99</b>	53.4	0.0	0.2	8.9	-584	-0.2	25.9
<b>Top 1 Percent</b>	67.5	0.0	0.1	3.2	-806	0.0	32.4
<b>Top 0.1 Percent</b>	74.5	0.0	0.0	0.4	-877	0.0	35.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 2.9

Proposal: 3.7

\*\* This table is part of a series of tables showing the distributional effects of moving incrementally from current law to current policy. For definitions and further information, see "Related Tables: Moving Incrementally from Current Law to Current Policy" at

<http://taxpolicycenter.org/numbers/displayatab.cfm?template=simulation&SimID=366>

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets.

Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$19,356, 40% \$37,493, 60% \$65,656, 80% \$111,659, 90% \$161,739, 95% \$226,402, 99% \$599,181, 99.9% \$2,727,123.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012<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	2.4	0.0	0.0	0.5	-4	-0.7	0.0	0.8	0.0	4.9
Second Quintile	15.6	0.0	0.2	6.7	-58	-1.8	0.0	4.3	-0.2	11.2
Middle Quintile	23.7	0.0	0.2	8.1	-77	-0.9	0.0	10.8	-0.2	17.0
Fourth Quintile	39.3	0.0	0.4	22.0	-251	-1.4	-0.1	17.9	-0.3	19.9
Top Quintile	70.5	0.0	0.4	62.7	-818	-1.1	0.0	66.1	-0.3	26.7
All	25.9	0.0	0.3	100.0	-193	-1.1	0.0	100.0	-0.3	22.0
<b>Addendum</b>										
80-90	74.2	0.0	0.8	33.5	-870	-2.7	-0.2	13.7	-0.6	22.3
90-95	77.6	0.0	0.6	17.1	-904	-1.9	-0.1	10.0	-0.5	23.4
95-99	53.4	0.0	0.2	8.9	-584	-0.7	0.1	15.8	-0.2	25.9
Top 1 Percent	67.5	0.0	0.1	3.2	-806	-0.1	0.3	26.6	0.0	32.4
Top 0.1 Percent	74.5	0.0	0.0	0.4	-877	0.0	0.2	13.5	0.0	35.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2012<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	38,450	24.4	11,600	566	11,034	4.9	3.7	4.6	0.8
Second Quintile	34,947	22.2	28,852	3,288	25,564	11.4	8.4	9.6	4.3
Middle Quintile	31,868	20.3	52,224	8,978	43,245	17.2	13.9	14.8	10.7
Fourth Quintile	26,646	16.9	88,978	17,955	71,022	20.2	19.8	20.3	17.9
Top Quintile	23,298	14.8	280,229	75,746	204,483	27.0	54.5	51.1	66.1
All	157,348	100.0	76,169	16,966	59,202	22.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	11,720	7.5	138,385	31,753	106,632	23.0	13.5	13.4	13.9
90-95	5,734	3.6	196,549	46,932	149,616	23.9	9.4	9.2	10.1
95-99	4,655	3.0	345,574	90,176	255,399	26.1	13.4	12.8	15.7
Top 1 Percent	1,190	0.8	1,825,188	591,541	1,233,647	32.4	18.1	15.8	26.4
Top 0.1 Percent	120	0.1	8,367,274	2,974,659	5,392,615	35.6	8.4	6.9	13.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 2.9

Proposal: 3.7

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$19,356, 40% \$37,493, 60% \$65,656, 80% \$111,659, 90% \$161,739, 95% \$226,402, 99% \$599,181, 99.9% \$2,727,123.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	5.2	0.0	0.2	2.2	-21	-9.2	0.0	0.3	-0.2	1.9
Second Quintile	18.2	0.0	0.3	7.4	-69	-2.7	-0.1	3.1	-0.3	9.7
Middle Quintile	20.7	0.0	0.1	5.5	-54	-0.7	0.0	8.6	-0.1	15.7
Fourth Quintile	34.8	0.0	0.4	22.6	-229	-1.5	-0.1	17.0	-0.3	19.3
Top Quintile	54.7	0.0	0.4	62.3	-633	-1.0	0.1	70.9	-0.3	26.5
All	25.9	0.0	0.3	100.0	-193	-1.1	0.0	100.0	-0.3	22.0
<b>Addendum</b>										
80-90	55.9	0.0	0.7	32.0	-648	-2.4	-0.2	14.9	-0.6	22.3
90-95	57.7	0.0	0.5	16.6	-668	-1.7	-0.1	11.3	-0.4	23.6
95-99	47.5	0.0	0.3	10.6	-540	-0.7	0.1	17.0	-0.2	25.7
Top 1 Percent	56.2	0.0	0.1	3.2	-670	-0.1	0.3	27.7	0.0	32.1
Top 0.1 Percent	64.3	0.0	0.0	0.4	-753	0.0	0.2	14.0	0.0	35.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	
Lowest Quintile	31,706	20.2	10,935	227	10,708	2.1	2.9	3.6	0.3
Second Quintile	32,349	20.6	26,208	2,608	23,600	10.0	7.1	8.2	3.2
Middle Quintile	31,237	19.9	46,322	7,328	38,994	15.8	12.1	13.1	8.6
Fourth Quintile	29,980	19.1	77,565	15,214	62,352	19.6	19.4	20.1	17.1
Top Quintile	29,936	19.0	235,547	63,114	172,433	26.8	58.8	55.4	70.8
All	157,348	100.0	76,169	16,966	59,202	22.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	15,019	9.6	117,658	26,825	90,833	22.8	14.7	14.7	15.1
90-95	7,540	4.8	167,170	40,037	127,133	24.0	10.5	10.3	11.3
95-99	5,940	3.8	294,212	76,193	218,019	25.9	14.6	13.9	17.0
Top 1 Percent	1,436	0.9	1,584,726	509,679	1,075,047	32.2	19.0	16.6	27.4
Top 0.1 Percent	142	0.1	7,360,192	2,596,003	4,764,189	35.3	8.7	7.3	13.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 2.9 Proposal: 3.7

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	-2.0	0	0.0	0.0	1.5	0.0	7.2
Second Quintile	0.0	0.0	0.0	0.6	0	0.0	0.0	5.1	0.0	10.9
Middle Quintile	0.0	0.0	0.0	-22.3	0	0.0	0.0	12.4	0.0	17.2
Fourth Quintile	0.0	0.0	0.0	19.5	0	0.0	0.0	20.5	0.0	21.1
Top Quintile	0.0	0.0	0.0	100.0	0	0.0	0.0	60.4	0.0	27.6
All	0.0	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	22.0
<b>Addendum</b>										
80-90	0.0	0.0	0.0	14.1	0	0.0	0.0	15.4	0.0	24.0
90-95	0.0	0.0	0.0	-19.5	0	0.0	0.0	10.8	0.0	25.3
95-99	0.0	0.0	0.0	-9.4	0	0.0	0.0	14.5	0.0	26.3
Top 1 Percent	0.0	0.0	0.0	12.5	0	0.0	0.0	19.8	0.0	34.3
Top 0.1 Percent	0.0	0.0	0.0	3.1	0	0.0	0.0	9.5	0.0	38.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	
Lowest Quintile	16,972	24.6	8,380	603	7,777	7.2	4.7	5.6	1.5
Second Quintile	15,474	22.5	19,970	2,168	17,802	10.9	10.2	11.7	5.1
Middle Quintile	14,005	20.3	34,261	5,882	28,379	17.2	15.9	16.8	12.4
Fourth Quintile	11,543	16.8	55,833	11,793	44,040	21.1	21.3	21.5	20.5
Top Quintile	9,596	13.9	151,979	41,872	110,107	27.6	48.2	44.8	60.4
All	68,932	100.0	43,878	9,646	34,232	22.0	100.0	100.0	100.0
<b>Addendum</b>									
80-90	5,066	7.4	84,037	20,196	63,841	24.0	14.1	13.7	15.4
90-95	2,373	3.4	119,032	30,126	88,906	25.3	9.3	8.9	10.8
95-99	1,795	2.6	204,548	53,845	150,703	26.3	12.1	11.5	14.5
Top 1 Percent	361	0.5	1,060,631	363,728	696,903	34.3	12.7	10.7	19.8
Top 0.1 Percent	32	0.1	5,243,107	1,996,644	3,246,463	38.1	5.5	4.4	9.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	23.2	0.0	0.7	2.2	-99	-23.2	0.0	0.1	-0.7	2.3
Second Quintile	61.9	0.0	0.8	7.4	-245	-7.3	-0.1	1.6	-0.7	9.3
Middle Quintile	52.5	0.0	0.3	5.3	-138	-1.6	0.0	5.6	-0.2	14.3
Fourth Quintile	66.1	0.0	0.6	22.1	-438	-2.5	-0.1	14.8	-0.5	18.3
Top Quintile	85.9	0.0	0.5	62.9	-1,005	-1.3	0.3	77.8	-0.4	26.2
All	63.6	0.0	0.5	100.0	-484	-1.7	0.0	100.0	-0.4	22.9
<b>Addendum</b>										
80-90	91.9	0.0	1.0	32.2	-1,080	-3.5	-0.3	14.9	-0.8	21.6
90-95	88.4	0.0	0.7	16.8	-1,031	-2.3	-0.1	12.1	-0.5	23.0
95-99	71.3	0.0	0.3	10.7	-818	-0.9	0.1	19.0	-0.2	25.6
Top 1 Percent	77.7	0.0	0.1	3.2	-938	-0.2	0.5	31.7	-0.1	31.6
Top 0.1 Percent	85.0	0.0	0.0	0.4	-1,020	0.0	0.3	15.9	0.0	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	6,622	10.8	14,526	426	14,100	2.9	1.2	1.6	0.2
Second Quintile	8,956	14.6	33,405	3,354	30,050	10.0	3.9	4.5	1.7
Middle Quintile	11,470	18.7	59,671	8,695	50,976	14.6	8.9	9.9	5.6
Fourth Quintile	15,032	24.5	95,023	17,845	77,177	18.8	18.5	19.6	14.9
Top Quintile	18,609	30.3	281,842	74,891	206,952	26.6	67.8	64.9	77.6
All	61,357	100.0	126,020	29,288	96,732	23.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	8,860	14.4	138,312	30,888	107,424	22.3	15.9	16.0	15.2
90-95	4,843	7.9	192,091	45,213	146,877	23.5	12.0	12.0	12.2
95-99	3,890	6.3	337,723	87,218	250,505	25.8	17.0	16.4	18.9
Top 1 Percent	1,015	1.7	1,748,464	553,237	1,195,228	31.6	23.0	20.5	31.3
Top 0.1 Percent	102	0.2	7,890,377	2,739,014	5,151,364	34.7	10.5	8.9	15.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	1.7	0	0.0	0.0	-4.0	0.0	-5.9
Second Quintile	0.0	0.0	0.0	10.1	0	0.0	0.0	12.4	0.0	8.3
Middle Quintile	0.0	0.0	0.0	18.0	0	0.0	0.0	27.1	0.0	16.2
Fourth Quintile	0.0	0.0	0.0	7.6	0	0.0	0.0	28.0	0.0	20.1
Top Quintile	0.0	0.0	0.0	-15.8	0	0.0	0.0	36.5	0.0	25.3
All	0.0	0.0	0.0	100.0	0	0.0	0.0	100.0	0.0	15.0
<b>Addendum</b>										
80-90	0.0	0.0	0.0	3.4	0	0.0	0.0	13.6	0.0	23.0
90-95	0.0	0.0	0.0	0.4	0	0.0	0.0	5.5	0.0	23.6
95-99	0.0	0.0	0.0	5.8	0	0.0	0.0	7.5	0.0	24.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	9.9	0.0	32.2
Top 0.1 Percent	0.0	0.0	0.0	2.0	0	0.0	0.0	4.6	0.0	35.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	7,840	31.9	13,490	-789	14,279	-5.9	10.3	12.8	-4.0
Second Quintile	7,497	30.5	30,617	2,545	28,072	8.3	22.4	24.2	12.4
Middle Quintile	5,095	20.8	50,275	8,160	42,115	16.2	25.0	24.6	27.1
Fourth Quintile	2,777	11.3	76,881	15,476	61,405	20.1	20.8	19.6	28.0
Top Quintile	1,242	5.1	178,521	45,086	133,435	25.3	21.6	19.0	36.5
All	24,547	100.0	41,760	6,255	35,505	15.0	100.0	100.0	100.0
<b>Addendum</b>									
80-90	805	3.3	112,763	25,909	86,854	23.0	8.9	8.0	13.6
90-95	232	0.9	154,893	36,474	118,419	23.6	3.5	3.2	5.5
95-99	173	0.7	278,418	67,053	211,365	24.1	4.7	4.2	7.5
Top 1 Percent	33	0.1	1,423,600	457,664	965,936	32.2	4.6	3.7	9.9
Top 0.1 Percent	3	0.0	6,950,503	2,446,863	4,503,640	35.2	2.0	1.5	4.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	11.5	0.0	0.4	4.1	-59	6.1	-0.1	-1.0	-0.4	-7.0
Second Quintile	31.6	0.0	0.5	12.1	-171	-5.4	-0.1	3.1	-0.5	8.7
Middle Quintile	31.3	0.0	0.2	6.4	-91	-0.9	0.1	10.3	-0.2	16.7
Fourth Quintile	51.7	0.0	0.6	30.2	-452	-2.1	-0.2	19.8	-0.4	20.1
Top Quintile	73.7	0.0	0.4	47.3	-836	-1.0	0.3	67.8	-0.3	27.4
All	38.3	0.0	0.4	100.0	-299	-1.4	0.0	100.0	-0.3	21.9
<b>Addendum</b>										
80-90	81.6	0.0	0.8	28.4	-949	-2.6	-0.2	15.4	-0.6	22.9
90-95	72.0	0.0	0.5	10.5	-779	-1.4	0.0	10.4	-0.4	24.1
95-99	51.9	0.0	0.2	6.0	-560	-0.5	0.2	16.5	-0.1	27.0
Top 1 Percent	80.2	0.0	0.1	2.4	-957	-0.1	0.3	25.5	-0.1	33.6
Top 0.1 Percent	85.7	0.0	0.0	0.3	-1,011	0.0	0.2	12.3	0.0	35.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	10,133	20.6	14,723	-968	15,691	-6.6	3.2	4.4	-0.9
Second Quintile	10,359	21.1	34,672	3,198	31,475	9.2	7.7	8.9	3.2
Middle Quintile	10,251	20.9	62,298	10,462	51,836	16.8	13.6	14.6	10.3
Fourth Quintile	9,800	19.9	103,142	21,175	81,967	20.5	21.6	22.0	19.9
Top Quintile	8,315	16.9	306,063	84,639	221,424	27.7	54.3	50.5	67.5
All	49,155	100.0	95,419	21,222	74,197	22.2	100.0	100.0	100.0
<b>Addendum</b>									
80-90	4,398	9.0	157,496	36,964	120,531	23.5	14.8	14.5	15.6
90-95	1,976	4.0	224,546	54,779	169,767	24.4	9.5	9.2	10.4
95-99	1,567	3.2	400,356	108,702	291,654	27.2	13.4	12.5	16.3
Top 1 Percent	374	0.8	2,088,455	702,117	1,386,338	33.6	16.7	14.2	25.2
Top 0.1 Percent	36	0.1	9,839,694	3,516,102	6,323,592	35.7	7.6	6.3	12.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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 plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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 T10-0141**  
**Incremental Effects of Extending the 2001 and 2003 Tax Cuts**  
**Reduce Marriage Penalty**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	1.3	0.0	0.0	0.4	-4	-1.5	0.0	0.3	0.0	2.5
Second Quintile	13.0	0.0	0.1	4.3	-26	-2.8	0.0	1.6	-0.1	3.9
Middle Quintile	19.2	0.0	0.1	4.9	-41	-1.6	0.0	3.5	-0.1	6.2
Fourth Quintile	41.0	0.0	0.3	17.2	-154	-1.9	-0.1	10.2	-0.2	11.6
Top Quintile	52.7	0.0	0.3	73.1	-639	-1.0	0.1	84.4	-0.3	25.8
All	24.5	0.0	0.3	100.0	-161	-1.1	0.0	100.0	-0.2	19.1
<b>Addendum</b>										
80-90	53.2	0.0	0.7	31.3	-634	-3.4	-0.2	9.8	-0.6	16.9
90-95	57.7	0.0	0.6	19.9	-716	-2.3	-0.1	9.4	-0.5	19.9
95-99	50.1	0.0	0.3	17.3	-609	-0.9	0.0	20.6	-0.2	24.4
Top 1 Percent	43.3	0.0	0.1	4.6	-525	-0.1	0.4	44.5	0.0	32.4
Top 0.1 Percent	59.2	0.0	0.0	0.6	-698	0.0	0.2	22.5	0.0	35.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	5,016	16.4	10,899	281	10,618	2.6	2.4	2.9	0.3
Second Quintile	8,213	26.9	22,528	902	21,626	4.0	8.0	9.5	1.7
Middle Quintile	5,981	19.6	41,094	2,593	38,501	6.3	10.6	12.3	3.5
Fourth Quintile	5,495	18.0	70,238	8,296	61,942	11.8	16.7	18.2	10.2
Top Quintile	5,617	18.4	257,048	66,824	190,224	26.0	62.4	57.2	84.2
All	30,543	100.0	75,737	14,589	61,148	19.3	100.0	100.0	100.0
<b>Addendum</b>									
80-90	2,427	8.0	105,444	18,451	86,993	17.5	11.1	11.3	10.1
90-95	1,362	4.5	153,103	31,125	121,978	20.3	9.0	8.9	9.5
95-99	1,394	4.6	267,882	65,867	202,015	24.6	16.1	15.1	20.6
Top 1 Percent	434	1.4	1,396,961	452,688	944,273	32.4	26.2	21.9	44.1
Top 0.1 Percent	42	0.1	6,520,091	2,335,469	4,184,622	35.8	12.0	9.5	22.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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

(1) Calendar year. Baseline is current law plus a permanent AMT patch at 2009 levels, indexed for inflation; extension of the 10, 25, and 28 percent tax brackets. Policy is the standard deduction and widths of the 10 and 15 percent tax brackets for couples filing jointly all set to double those for singles and higher EITC phaseout threshold for couples filing jointly.

(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% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(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.