

Table T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012 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	0.0	0.0	0.0	0.0	0	0.0	5.3
10-20	0.0	0.1	0.0	0.0	0	0.0	4.6
20-30	0.0	2.2	0.0	0.1	1	0.0	8.9
30-40	0.0	3.4	0.0	0.2	2	0.0	13.0
40-50	0.0	5.8	0.0	0.4	5	0.0	15.7
50-75	0.0	12.2	0.0	1.5	11	0.0	17.9
75-100	0.0	19.7	0.0	1.9	23	0.0	19.6
100-200	0.0	32.1	-0.1	8.3	71	0.1	22.1
200-500	0.0	58.8	-0.2	14.1	421	0.1	25.3
500-1,000	0.0	75.8	-0.4	12.6	2,119	0.3	27.8
More than 1,000	0.0	81.6	-1.0	61.0	20,303	0.7	33.7
All	0.0	11.9	-0.2	100.0	112	0.2	21.8

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

Number of AMT Taxpayers (millions). Baseline: 3.8

Proposal: 3.7

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

<http://taxpolicycenter.org/numbers/displayatab.cfm?template=simulation&SimID=367>

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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 T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	5.3
10-20	0.0	0.1	0.0	0.0	0	0.0	0.0	0.7	0.0	4.6
20-30	0.0	2.2	0.0	0.1	1	0.1	0.0	1.9	0.0	8.9
30-40	0.0	3.4	0.0	0.2	2	0.1	0.0	2.9	0.0	13.0
40-50	0.0	5.8	0.0	0.4	5	0.1	0.0	3.6	0.0	15.7
50-75	0.0	12.2	0.0	1.5	11	0.1	-0.1	10.0	0.0	17.9
75-100	0.0	19.7	0.0	1.9	23	0.1	-0.1	9.8	0.0	19.6
100-200	0.0	32.1	-0.1	8.3	71	0.2	-0.1	24.7	0.1	22.1
200-500	0.0	58.8	-0.2	14.1	421	0.6	0.0	17.0	0.1	25.3
500-1,000	0.0	75.8	-0.4	12.6	2,119	1.1	0.0	7.9	0.3	27.8
More than 1,000	0.0	81.6	-1.0	61.0	20,303	2.0	0.3	21.3	0.7	33.7
All	0.0	11.9	-0.2	100.0	112	0.7	0.0	100.0	0.2	21.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	16,958	10.8	5,723	305	5,418	5.3	0.8	1.0	0.2
10-20	24,305	15.5	15,533	710	14,823	4.6	3.2	3.8	0.7
20-30	21,133	13.4	25,808	2,282	23,525	8.8	4.6	5.3	1.9
30-40	16,074	10.2	36,190	4,698	31,491	13.0	4.9	5.4	2.9
40-50	12,909	8.2	46,615	7,327	39,288	15.7	5.0	5.4	3.7
50-75	22,702	14.4	64,099	11,437	52,662	17.8	12.1	12.7	10.0
75-100	14,431	9.2	90,195	17,670	72,525	19.6	10.9	11.1	9.8
100-200	20,606	13.1	141,257	31,178	110,079	22.1	24.3	24.2	24.8
200-500	5,930	3.8	296,062	74,550	221,512	25.2	14.7	14.0	17.1
500-1,000	1,048	0.7	704,969	193,874	511,096	27.5	6.2	5.7	7.8
More than 1,000	531	0.3	3,114,004	1,028,341	2,085,664	33.0	13.8	11.8	21.1
All	157,348	100.0	76,169	16,476	59,692	21.6	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 3.8

Proposal: 3.7

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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 T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.9	0.0	8.5
10-20	0.0	0.1	0.0	0.0	0	0.0	0.0	2.9	0.0	8.4
20-30	0.0	4.0	0.0	0.6	2	0.1	0.0	5.8	0.0	13.4
30-40	0.0	6.6	0.0	0.8	4	0.1	0.0	7.2	0.0	17.5
40-50	0.0	9.9	0.0	1.5	10	0.1	0.0	8.3	0.0	19.7
50-75	0.0	17.2	0.0	4.9	22	0.2	-0.1	18.4	0.0	22.0
75-100	0.0	26.2	-0.1	4.4	48	0.2	0.0	11.8	0.1	24.4
100-200	0.0	41.5	-0.2	15.8	183	0.5	0.0	17.9	0.1	25.6
200-500	0.0	63.2	-0.4	16.1	806	1.0	0.0	9.9	0.3	27.9
500-1,000	0.0	73.4	-0.7	11.7	3,348	1.6	0.0	4.5	0.5	31.2
More than 1,000	0.0	75.2	-1.2	44.2	23,296	2.2	0.2	12.2	0.8	36.6
All	0.0	8.8	-0.2	100.0	57	0.6	0.0	100.0	0.1	22.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	12,161	17.6	5,710	483	5,227	8.5	2.3	2.7	0.9
10-20	14,889	21.6	15,384	1,295	14,089	8.4	7.6	8.9	2.9
20-30	11,204	16.3	25,667	3,431	22,236	13.4	9.5	10.5	5.8
30-40	7,555	11.0	36,120	6,332	29,788	17.5	9.0	9.5	7.3
40-50	6,018	8.7	46,555	9,181	37,374	19.7	9.3	9.5	8.4
50-75	8,766	12.7	63,234	13,907	49,327	22.0	18.3	18.3	18.5
75-100	3,599	5.2	89,193	21,693	67,500	24.3	10.6	10.3	11.8
100-200	3,384	4.9	137,406	34,919	102,487	25.4	15.4	14.7	17.9
200-500	787	1.1	300,163	83,068	217,095	27.7	7.8	7.2	9.9
500-1,000	138	0.2	697,814	214,661	483,152	30.8	3.2	2.8	4.5
More than 1,000	75	0.1	2,972,435	1,064,281	1,908,154	35.8	7.3	6.0	12.0
All	68,932	100.0	43,878	9,576	34,301	21.8	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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 T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	4.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.8
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	4.6
30-40	0.0	0.2	0.0	0.0	0	0.0	0.0	0.7	0.0	7.6
40-50	0.0	2.0	0.0	0.0	1	0.0	0.0	1.2	0.0	10.5
50-75	0.0	10.1	0.0	0.4	5	0.1	0.0	5.3	0.0	14.3
75-100	0.0	18.8	0.0	1.1	16	0.1	-0.1	8.3	0.0	17.6
100-200	0.0	30.8	0.0	6.2	49	0.2	-0.2	28.2	0.0	21.4
200-500	0.0	58.4	-0.2	13.5	354	0.5	-0.1	20.8	0.1	24.9
500-1,000	0.0	76.7	-0.4	13.1	1,932	1.0	0.0	9.7	0.3	27.3
More than 1,000	0.0	83.1	-0.9	65.7	19,564	2.0	0.3	25.4	0.6	33.2
All	0.0	19.1	-0.2	100.0	211	0.8	0.0	100.0	0.2	22.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,172	3.5	4,766	228	4,538	4.8	0.1	0.2	0.0
10-20	4,097	6.7	16,031	441	15,590	2.8	0.9	1.1	0.1
20-30	4,842	7.9	25,959	1,190	24,769	4.6	1.6	2.0	0.3
30-40	4,391	7.2	36,302	2,765	33,537	7.6	2.1	2.5	0.7
40-50	4,095	6.7	46,760	4,905	41,855	10.5	2.5	2.9	1.2
50-75	9,883	16.1	65,241	9,312	55,929	14.3	8.3	9.2	5.3
75-100	9,149	14.9	90,792	15,926	74,866	17.5	10.7	11.4	8.4
100-200	16,193	26.4	142,545	30,397	112,148	21.3	29.9	30.3	28.4
200-500	4,941	8.1	295,420	73,164	222,256	24.8	18.9	18.3	20.8
500-1,000	876	1.4	706,519	190,772	515,747	27.0	8.0	7.5	9.6
More than 1,000	435	0.7	3,075,014	1,000,081	2,074,933	32.5	17.3	15.1	25.1
All	61,357	100.0	126,020	28,302	97,718	22.5	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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 T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.9	0.0	-7.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-3.1	0.0	-5.7
20-30	0.0	0.2	0.0	0.1	0	0.0	0.0	1.8	0.0	2.1
30-40	0.0	1.0	0.0	0.3	0	0.0	0.0	9.1	0.0	9.6
40-50	0.0	2.6	0.0	1.0	1	0.0	0.0	11.2	0.0	14.1
50-75	0.0	5.6	0.0	3.8	3	0.0	-0.1	27.2	0.0	17.4
75-100	0.0	8.2	0.0	5.2	10	0.1	0.0	17.6	0.0	20.4
100-200	0.0	19.0	0.0	9.5	30	0.1	0.0	18.7	0.0	23.0
200-500	0.0	46.9	-0.1	15.7	290	0.4	0.0	7.6	0.1	24.7
500-1,000	0.0	60.6	-0.3	14.0	1,625	0.9	0.0	3.0	0.2	26.2
More than 1,000	0.0	72.5	-0.7	50.5	12,920	1.3	0.1	7.7	0.4	34.1
All	0.0	2.8	0.0	100.0	11	0.2	0.0	100.0	0.0	14.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	2,483	10.1	6,647	-520	7,167	-7.8	1.6	2.0	-0.9
10-20	5,029	20.5	15,579	-890	16,469	-5.7	7.6	9.4	-3.1
20-30	4,757	19.4	25,971	540	25,432	2.1	12.1	13.7	1.8
30-40	3,767	15.4	36,157	3,470	32,687	9.6	13.3	14.0	9.1
40-50	2,449	10.0	46,569	6,570	39,999	14.1	11.1	11.1	11.2
50-75	3,559	14.5	63,082	10,978	52,105	17.4	21.9	21.0	27.3
75-100	1,389	5.7	89,214	18,158	71,056	20.4	12.1	11.2	17.6
100-200	877	3.6	132,993	30,579	102,415	23.0	11.4	10.2	18.7
200-500	150	0.6	294,130	72,367	221,763	24.6	4.3	3.8	7.6
500-1,000	24	0.1	686,382	178,379	508,002	26.0	1.6	1.4	3.0
More than 1,000	11	0.0	2,985,055	1,003,418	1,981,638	33.6	3.2	2.4	7.6
All	24,547	100.0	41,760	5,832	35,928	14.0	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

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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 T10-0164
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Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-11.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.8	0.0	-9.4
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-0.8
30-40	0.0	0.6	0.0	0.0	0	0.0	0.0	1.4	0.0	7.7
40-50	0.0	1.9	0.0	0.1	1	0.0	0.0	2.3	0.0	12.6
50-75	0.0	6.0	0.0	0.4	2	0.0	0.0	7.6	0.0	15.9
75-100	0.0	12.0	0.0	1.0	8	0.1	0.0	9.8	0.0	18.4
100-200	0.0	26.0	0.0	5.0	25	0.1	-0.1	28.5	0.0	21.5
200-500	0.0	53.7	-0.1	12.1	199	0.3	0.0	20.5	0.1	25.4
500-1,000	0.0	74.2	-0.3	13.6	1,396	0.7	0.0	9.0	0.2	28.9
More than 1,000	0.0	82.2	-0.7	67.9	14,962	1.4	0.2	22.1	0.5	34.5
All	0.0	11.5	-0.1	100.0	92	0.5	0.0	100.0	0.1	21.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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-	Share of Post-	Share of
	Number (thousands)	Percent Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,968	6.0	6,252	-725	6,978	-11.6	0.4	0.6	-0.2
10-20	5,639	11.5	15,769	-1,488	17,257	-9.4	1.9	2.6	-0.8
20-30	5,683	11.6	25,918	-196	26,114	-0.8	3.1	4.0	-0.1
30-40	4,891	10.0	36,161	2,765	33,396	7.7	3.8	4.4	1.4
40-50	3,849	7.8	46,701	5,864	40,837	12.6	3.8	4.3	2.3
50-75	7,425	15.1	64,368	10,233	54,135	15.9	10.2	10.9	7.6
75-100	5,841	11.9	90,740	16,712	74,028	18.4	11.3	11.7	9.8
100-200	9,319	19.0	142,137	30,569	111,568	21.5	28.2	28.1	28.6
200-500	2,750	5.6	293,742	74,432	219,311	25.3	17.2	16.3	20.6
500-1,000	441	0.9	705,334	202,717	502,617	28.7	6.6	6.0	9.0
More than 1,000	206	0.4	3,105,769	1,057,250	2,048,519	34.0	13.7	11.4	21.9
All	49,155	100.0	95,419	20,264	75,155	21.2	100.0	100.0	100.0

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 policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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 T10-0164
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Tax All Dividends as Ordinary Income
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	3.1
10-20	0.0	0.1	0.0	0.0	0	0.0	0.0	0.6	0.0	2.6
20-30	0.0	4.1	0.0	0.2	3	0.2	0.0	1.3	0.0	4.6
30-40	0.0	5.5	0.0	0.2	6	0.3	0.0	1.5	0.0	6.1
40-50	0.0	10.5	0.0	0.3	10	0.3	0.0	1.8	0.0	7.6
50-75	0.0	24.6	-0.1	2.1	36	0.5	-0.1	7.0	0.1	10.8
75-100	0.0	41.5	-0.1	2.5	77	0.6	-0.1	7.3	0.1	14.3
100-200	0.0	59.1	-0.2	10.7	273	1.0	-0.1	18.6	0.2	19.3
200-500	0.0	72.8	-0.5	16.7	1,132	1.5	0.0	19.2	0.4	24.7
500-1,000	0.0	77.5	-0.7	12.4	3,846	2.0	0.0	10.8	0.5	27.4
More than 1,000	0.0	84.8	-1.5	55.0	31,809	3.1	0.4	31.7	1.0	34.2
All	0.0	18.4	-0.4	100.0	250	1.8	0.0	100.0	0.3	19.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,305	7.6	6,366	200	6,166	3.1	0.6	0.8	0.1
10-20	6,471	21.2	15,655	405	15,250	2.6	4.4	5.3	0.6
20-30	5,084	16.7	25,560	1,160	24,400	4.5	5.6	6.6	1.4
30-40	2,999	9.8	36,054	2,180	33,874	6.1	4.7	5.4	1.5
40-50	2,259	7.4	46,537	3,534	43,004	7.6	4.5	5.2	1.8
50-75	4,405	14.4	64,489	6,942	57,547	10.8	12.3	13.5	7.1
75-100	2,504	8.2	89,136	12,687	76,448	14.2	9.7	10.2	7.3
100-200	2,986	9.8	141,589	27,099	114,490	19.1	18.3	18.2	18.7
200-500	1,128	3.7	304,121	74,015	230,106	24.3	14.8	13.8	19.3
500-1,000	245	0.8	709,954	190,335	519,620	26.8	7.5	6.8	10.8
More than 1,000	132	0.4	3,095,895	1,026,471	2,069,424	33.2	17.7	14.5	31.3
All	30,543	100.0	75,737	14,171	61,567	18.7	100.0	100.0	100.0

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 policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer. Policy is taxation of all dividends as ordinary income.

(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.