

Table T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	1.2	0.0	0.0	0.2	-1	0.0	4.6
Second Quintile	5.7	0.0	0.0	1.4	-11	0.0	10.3
Middle Quintile	12.0	0.0	0.1	3.9	-34	-0.1	16.5
Fourth Quintile	24.4	0.0	0.1	10.0	-103	-0.1	19.5
Top Quintile	49.2	1.1	0.5	84.4	-989	-0.4	26.3
All	15.4	0.2	0.3	100.0	-173	-0.2	21.5
Addendum							
80-90	37.5	0.0	0.2	9.7	-225	-0.2	22.0
90-95	52.5	0.1	0.3	10.1	-479	-0.2	23.2
95-99	68.0	2.5	0.5	21.8	-1,281	-0.4	25.5
Top 1 Percent	76.4	11.4	0.8	42.9	-9,831	-0.5	31.8
Top 0.1 Percent	68.9	25.8	1.0	23.2	-52,887	-0.6	34.9

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

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal:4.0

(1). Calendar year. Baseline is current law plus an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction. Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

(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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.2	0.0	0.0	0.2	-1	-0.2	0.0	0.8	0.0	4.6
Second Quintile	5.7	0.0	0.0	1.4	-11	-0.4	0.0	4.0	0.0	10.3
Middle Quintile	12.0	0.0	0.1	3.9	-34	-0.4	0.1	10.6	-0.1	16.5
Fourth Quintile	24.4	0.0	0.1	10.0	-103	-0.6	0.1	17.9	-0.1	19.5
Top Quintile	49.2	1.1	0.5	84.4	-989	-1.3	-0.2	66.5	-0.4	26.3
All	15.4	0.2	0.3	100.0	-173	-1.1	0.0	100.0	-0.2	21.5
Addendum										
80-90	37.5	0.0	0.2	9.7	-225	-0.7	0.0	13.8	-0.2	22.0
90-95	52.5	0.1	0.3	10.1	-479	-1.0	0.0	10.1	-0.2	23.2
95-99	68.0	2.5	0.5	21.8	-1,281	-1.4	-0.1	15.9	-0.4	25.5
Top 1 Percent	76.4	11.4	0.8	42.9	-9,831	-1.7	-0.2	26.7	-0.5	31.8
Top 0.1 Percent	68.9	25.8	1.0	23.2	-52,887	-1.8	-0.1	13.6	-0.6	34.9

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	38,450	24.4	11,600	537	11,063	4.6	3.7	4.5	0.8
Second Quintile	34,947	22.2	28,852	2,982	25,871	10.3	8.4	9.6	4.0
Middle Quintile	31,868	20.3	52,224	8,651	43,572	16.6	13.9	14.8	10.6
Fourth Quintile	26,646	16.9	88,978	17,417	71,561	19.6	19.8	20.3	17.8
Top Quintile	23,298	14.8	280,229	74,644	205,585	26.6	54.5	51.1	66.7
All	157,348	100.0	76,169	16,570	59,599	21.8	100.0	100.0	100.0
Addendum									
80-90	11,720	7.5	138,385	30,600	107,785	22.1	13.5	13.5	13.8
90-95	5,734	3.6	196,549	45,971	150,577	23.4	9.4	9.2	10.1
95-99	4,655	3.0	345,574	89,249	256,326	25.8	13.4	12.7	15.9
Top 1 Percent	1,190	0.8	1,825,188	589,571	1,235,617	32.3	18.1	15.7	26.9
Top 0.1 Percent	120	0.1	8,367,274	2,972,376	5,394,898	35.5	8.4	6.9	13.7

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 4.0

(1). Calendar year. Baseline is current law plus an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction. Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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(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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.4	0.0	0.0	0.0	0	-0.1	0.0	0.1	0.0	1.0
Second Quintile	3.8	0.0	0.0	0.6	-5	-0.2	0.0	2.8	0.0	8.5
Middle Quintile	9.6	0.0	0.1	2.5	-22	-0.3	0.1	8.5	-0.1	15.1
Fourth Quintile	20.9	0.0	0.1	7.6	-69	-0.5	0.1	17.1	-0.1	18.9
Top Quintile	45.5	0.9	0.5	89.3	-814	-1.3	-0.2	71.4	-0.4	26.1
All	15.4	0.2	0.3	100.0	-173	-1.1	0.0	100.0	-0.2	21.5
Addendum										
80-90	33.4	0.0	0.2	8.9	-161	-0.6	0.1	15.1	-0.1	22.1
90-95	48.1	0.0	0.3	9.8	-356	-0.9	0.0	11.4	-0.2	23.3
95-99	65.3	1.8	0.5	24.7	-1,135	-1.5	-0.1	17.1	-0.4	25.2
Top 1 Percent	75.9	10.3	0.8	45.9	-8,719	-1.7	-0.2	27.8	-0.6	31.5
Top 0.1 Percent	70.3	24.1	1.0	24.6	-47,071	-1.8	-0.1	14.1	-0.6	34.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	31,706	20.2	10,935	114	10,821	1.0	2.9	3.7	0.1	
Second Quintile	32,349	20.6	26,208	2,226	23,982	8.5	7.1	8.3	2.8	
Middle Quintile	31,237	19.9	46,322	7,022	39,300	15.2	12.1	13.1	8.4	
Fourth Quintile	29,980	19.1	77,565	14,760	62,806	19.0	19.4	20.1	17.0	
Top Quintile	29,936	19.0	235,547	62,340	173,207	26.5	58.8	55.3	71.6	
All	157,348	100.0	76,169	16,570	59,599	21.8	100.0	100.0	100.0	
Addendum										
80-90	15,019	9.6	117,658	26,101	91,557	22.2	14.7	14.7	15.0	
90-95	7,540	4.8	167,170	39,354	127,817	23.5	10.5	10.3	11.4	
95-99	5,940	3.8	294,212	75,396	218,815	25.6	14.6	13.9	17.2	
Top 1 Percent	1,436	0.9	1,584,726	507,996	1,076,730	32.1	19.0	16.5	28.0	
Top 0.1 Percent	142	0.1	7,360,192	2,593,931	4,766,261	35.2	8.7	7.2	14.2	

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 4.0

(1). Calendar year. Baseline is current law plus an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction.

Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$13,219, 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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.7	0.0	0.0	0.1	0	0.0	0.0	1.5	0.0	7.1
Second Quintile	4.6	0.0	0.0	1.3	-6	-0.3	0.0	5.0	0.0	10.7
Middle Quintile	10.0	0.0	0.1	4.8	-26	-0.4	0.1	12.5	-0.1	17.1
Fourth Quintile	17.5	0.0	0.1	9.1	-59	-0.5	0.1	20.6	-0.1	21.0
Top Quintile	39.9	0.4	0.6	84.7	-657	-1.6	-0.3	60.2	-0.4	27.1
All	11.7	0.1	0.3	100.0	-108	-1.1	0.0	100.0	-0.3	21.7
Addendum										
80-90	28.6	0.0	0.2	9.7	-142	-0.7	0.1	15.5	-0.2	23.9
90-95	42.1	0.0	0.4	11.9	-373	-1.2	0.0	10.8	-0.3	25.0
95-99	61.7	0.5	0.8	27.8	-1,152	-2.1	-0.2	14.4	-0.6	25.7
Top 1 Percent	75.6	8.7	1.0	35.4	-7,290	-2.0	-0.2	19.6	-0.7	33.5
Top 0.1 Percent	69.0	23.6	1.2	16.7	-39,241	-2.0	-0.1	9.4	-0.8	37.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	16,972	24.6	8,380	595	7,785	7.1	4.7	5.6	1.5
Second Quintile	15,474	22.5	19,970	2,143	17,828	10.7	10.2	11.7	5.0
Middle Quintile	14,005	20.3	34,261	5,871	28,390	17.1	15.9	16.8	12.4
Fourth Quintile	11,543	16.8	55,833	11,782	44,051	21.1	21.3	21.5	20.5
Top Quintile	9,596	13.9	151,979	41,822	110,157	27.5	48.2	44.8	60.5
All	68,932	100.0	43,878	9,627	34,251	21.9	100.0	100.0	100.0
Addendum									
80-90	5,066	7.4	84,037	20,189	63,848	24.0	14.1	13.7	15.4
90-95	2,373	3.4	119,032	30,125	88,907	25.3	9.3	8.9	10.8
95-99	1,795	2.6	204,548	53,746	150,802	26.3	12.1	11.5	14.5
Top 1 Percent	361	0.5	1,060,631	362,997	697,635	34.2	12.7	10.7	19.8
Top 0.1 Percent	32	0.1	5,243,107	1,995,548	3,247,558	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 an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction. Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

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(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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	0.8
Second Quintile	4.9	0.0	0.0	0.3	-7	-0.3	0.0	1.4	0.0	7.9
Middle Quintile	11.6	0.0	0.1	1.5	-25	-0.3	0.0	5.4	0.0	13.5
Fourth Quintile	25.5	0.0	0.1	6.9	-86	-0.5	0.1	14.7	-0.1	17.8
Top Quintile	49.9	1.1	0.4	91.3	-915	-1.2	-0.1	78.4	-0.3	25.8
All	24.3	0.3	0.3	100.0	-304	-1.1	0.0	100.0	-0.2	22.4
Addendum										
80-90	37.8	0.0	0.2	8.6	-180	-0.6	0.1	15.1	-0.1	21.3
90-95	51.8	0.0	0.2	8.9	-344	-0.8	0.0	12.3	-0.2	22.8
95-99	68.1	2.3	0.5	23.8	-1,139	-1.3	-0.1	19.1	-0.3	25.2
Top 1 Percent	76.5	10.8	0.8	50.0	-9,198	-1.7	-0.2	31.8	-0.5	31.0
Top 0.1 Percent	71.2	24.1	1.0	27.4	-50,011	-1.8	-0.1	15.9	-0.6	34.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	118	14,408	0.8	1.2	1.6	0.0
Second Quintile	8,956	14.6	33,405	2,631	30,774	7.9	3.9	4.6	1.4
Middle Quintile	11,470	18.7	59,671	8,102	51,569	13.6	8.9	9.9	5.3
Fourth Quintile	15,032	24.5	95,023	17,030	77,992	17.9	18.5	19.6	14.7
Top Quintile	18,609	30.3	281,842	73,692	208,150	26.2	67.8	64.7	78.5
All	61,357	100.0	126,020	28,474	97,546	22.6	100.0	100.0	100.0
Addendum									
80-90	8,860	14.4	138,312	29,689	108,623	21.5	15.9	16.1	15.1
90-95	4,843	7.9	192,091	44,160	147,931	23.0	12.0	12.0	12.2
95-99	3,890	6.3	337,723	86,066	251,656	25.5	17.0	16.4	19.2
Top 1 Percent	1,015	1.7	1,748,464	551,172	1,197,293	31.5	23.0	20.3	32.0
Top 0.1 Percent	102	0.2	7,890,377	2,736,568	5,153,809	34.7	10.5	8.8	16.0

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

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Table T10-0198
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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-5.3	0.0	-7.2
Second Quintile	0.9	0.0	0.0	0.7	-1	0.0	0.0	9.6	0.0	6.0
Middle Quintile	4.8	0.0	0.0	5.7	-7	-0.1	0.1	27.4	0.0	15.3
Fourth Quintile	11.4	0.0	0.1	13.7	-31	-0.2	0.1	29.4	0.0	19.7
Top Quintile	26.9	0.6	0.3	79.9	-407	-0.9	-0.2	38.8	-0.2	25.0
All	3.9	0.0	0.1	100.0	-26	-0.4	0.0	100.0	-0.1	13.9
Addendum										
80-90	19.0	0.0	0.1	14.5	-114	-0.4	0.0	14.5	-0.1	22.8
90-95	34.1	0.2	0.3	13.7	-373	-1.0	0.0	5.9	-0.2	23.3
95-99	46.2	1.8	0.4	24.1	-882	-1.3	-0.1	8.0	-0.3	23.7
Top 1 Percent	68.5	11.4	0.6	27.7	-5,291	-1.2	-0.1	10.5	-0.4	31.7
Top 0.1 Percent	62.1	26.6	0.5	11.3	-24,507	-1.0	0.0	4.9	-0.4	34.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	-966	14,455	-7.2	10.3	12.9	-5.3
Second Quintile	7,497	30.5	30,617	1,831	28,786	6.0	22.4	24.5	9.6
Middle Quintile	5,095	20.8	50,275	7,687	42,588	15.3	25.0	24.6	27.3
Fourth Quintile	2,777	11.3	76,881	15,156	61,725	19.7	20.8	19.4	29.4
Top Quintile	1,242	5.1	178,521	44,996	133,525	25.2	21.6	18.8	39.0
All	24,547	100.0	41,760	5,841	35,918	14.0	100.0	100.0	100.0
Addendum									
80-90	805	3.3	112,763	25,848	86,915	22.9	8.9	7.9	14.5
90-95	232	0.9	154,893	36,461	118,432	23.5	3.5	3.1	5.9
95-99	173	0.7	278,418	66,893	211,525	24.0	4.7	4.1	8.1
Top 1 Percent	33	0.1	1,423,600	456,694	966,906	32.1	4.6	3.6	10.5
Top 0.1 Percent	3	0.0	6,950,503	2,445,617	4,504,886	35.2	2.0	1.5	5.0

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

(1). Calendar year. Baseline is current law plus an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction. Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

(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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.3	0.0	-8.9
Second Quintile	1.4	0.0	0.0	0.2	-1	-0.1	0.0	2.2	0.0	6.1
Middle Quintile	8.7	0.0	0.0	2.7	-17	-0.2	0.0	9.9	0.0	15.4
Fourth Quintile	19.4	0.0	0.1	8.5	-54	-0.3	0.1	19.7	-0.1	19.4
Top Quintile	47.6	1.4	0.3	88.5	-666	-0.8	-0.1	69.4	-0.2	27.1
All	14.0	0.2	0.2	100.0	-127	-0.6	0.0	100.0	-0.1	21.2
Addendum										
80-90	36.6	0.0	0.1	9.1	-130	-0.4	0.0	15.8	-0.1	22.6
90-95	52.6	0.1	0.2	9.4	-298	-0.6	0.0	10.7	-0.1	23.9
95-99	65.8	3.9	0.3	22.2	-887	-0.8	0.0	16.9	-0.2	26.7
Top 1 Percent	74.0	13.1	0.6	47.8	-8,002	-1.1	-0.1	26.1	-0.4	33.1
Top 0.1 Percent	66.6	27.9	0.7	25.7	-44,669	-1.3	-0.1	12.6	-0.5	35.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	-1,303	16,026	-8.9	3.2	4.4	-1.3	
Second Quintile	10,359	21.1	34,672	2,104	32,568	6.1	7.7	9.1	2.2	
Middle Quintile	10,251	20.9	62,298	9,619	52,679	15.4	13.6	14.6	9.9	
Fourth Quintile	9,800	19.9	103,142	20,050	83,091	19.4	21.6	22.1	19.7	
Top Quintile	8,315	16.9	306,063	83,507	222,556	27.3	54.3	50.1	69.5	
All	49,155	100.0	95,419	20,329	75,090	21.3	100.0	100.0	100.0	
Addendum										
80-90	4,398	9.0	157,496	35,785	121,711	22.7	14.8	14.5	15.8	
90-95	1,976	4.0	224,546	53,957	170,589	24.0	9.5	9.1	10.7	
95-99	1,567	3.2	400,356	107,610	292,746	26.9	13.4	12.4	16.9	
Top 1 Percent	374	0.8	2,088,455	699,746	1,388,708	33.5	16.7	14.1	26.2	
Top 0.1 Percent	36	0.1	9,839,694	3,513,564	6,326,130	35.7	7.6	6.2	12.7	

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 an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction.

Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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(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 T10-0198
Extend Lower Rates on Capital Gains and Qualified Dividends for Taxpayers Not in Top Two Brackets
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.5	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.5
Second Quintile	7.1	0.0	0.1	0.7	-11	-1.3	0.0	1.7	-0.1	3.8
Middle Quintile	15.9	0.0	0.1	1.9	-41	-1.6	0.0	3.5	-0.1	6.1
Fourth Quintile	40.4	0.0	0.3	7.3	-168	-2.1	0.1	10.2	-0.2	11.3
Top Quintile	69.7	0.9	1.1	90.0	-2,028	-3.1	-0.2	84.2	-0.8	24.9
All	25.2	0.2	0.7	100.0	-414	-2.9	0.0	100.0	-0.6	18.5
Addendum										
80-90	59.7	0.0	0.6	9.4	-490	-2.8	0.0	9.8	-0.5	16.4
90-95	73.2	0.0	0.8	10.6	-983	-3.2	0.0	9.4	-0.6	19.2
95-99	80.2	0.7	1.2	26.5	-2,407	-3.7	-0.2	20.5	-0.9	23.4
Top 1 Percent	81.0	9.1	1.3	43.5	-12,703	-2.8	0.0	44.5	-0.9	31.4
Top 0.1 Percent	73.5	23.4	1.6	22.2	-66,241	-2.8	0.0	22.5	-1.0	34.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	271	10,628	2.5	2.4	2.9	0.3	
Second Quintile	8,213	26.9	22,528	871	21,657	3.9	8.0	9.5	1.6	
Middle Quintile	5,981	19.6	41,094	2,534	38,560	6.2	10.6	12.3	3.4	
Fourth Quintile	5,495	18.0	70,238	8,133	62,105	11.6	16.7	18.2	10.2	
Top Quintile	5,617	18.4	257,048	66,092	190,956	25.7	62.4	57.3	84.4	
All	30,543	100.0	75,737	14,404	61,333	19.0	100.0	100.0	100.0	
Addendum										
80-90	2,427	8.0	105,444	17,813	87,631	16.9	11.1	11.4	9.8	
90-95	1,362	4.5	153,103	30,408	122,695	19.9	9.0	8.9	9.4	
95-99	1,394	4.6	267,882	65,112	202,770	24.3	16.1	15.1	20.6	
Top 1 Percent	434	1.4	1,396,961	451,458	945,503	32.3	26.2	21.9	44.5	
Top 0.1 Percent	42	0.1	6,520,091	2,333,598	4,186,493	35.8	12.0	9.5	22.5	

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 an AMT patch; extension of the 10, 25, and 28 percent tax rates, marriage penalty relief, child tax credit, child and dependent care credit, and student loan interest deduction.

Proposal would extend the 15 percent rate on capital gains and qualified dividends (0 percent for those in the bottom two tax brackets) but would retain a 20 percent rate for those in the top two tax brackets. Proposal would also repeal the 8 and 18 percent rate for gains on assets held for five years or more (which could result in a tax increase for high-income taxpayers).

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(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.