

T10-0235
Tax Units with Tax Increase from Administration's Tax Proposal
Relative to Full Extension of Tax Cuts, 2011¹

	Filing Status ²				
	All	Single	Married Filing Jointly	Head of Household	Married Filing Separately
Tax units (thousands)	2,690	400	2,170	50	70
<u>Cash Income Percentiles</u>					
10th	336,144	302,186	347,541	333,713	164,351
25th	384,734	359,505	392,646	391,984	190,851
50th	482,613	450,781	490,808	500,967	264,815
75th	781,088	706,861	794,456	799,005	533,265
90th	1,347,608	1,252,098	1,363,799	1,382,311	1,161,205
Average Cash Income	917,467	844,263	925,009	945,568	1,081,497
<u>Average Income</u>					
Wages and Salary	335,483	209,741	360,729	339,282	257,215
Capital Gains and Dividends	161,071	187,062	153,432	167,905	249,058
Net Business Loss³	-12,540	-12,032	-12,274	-11,161	-25,164
Net Business Income³	169,605	154,726	169,586	200,944	232,715
Interest Income	46,130	59,710	42,502	33,811	92,917
Pension	49,648	51,133	50,301	34,788	31,636
<u>Average Rates Under:</u>					
Current Law	22.8	21.6	23.1	22.4	22.2
Administration's Proposal	21.5	20.3	21.7	21.6	21.3
Current Policy	19.2	18.0	19.4	19.1	18.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

(1) Calendar year. Baseline is current policy; a full extension of the 2001-2003 tax cuts. Proposal extends 2009 estate tax law and all the individual income tax provisions in the 2001-2003 tax cuts other than the high-income provisions. The proposal: retains a 20 percent rate on qualified dividends and capital gains for taxpayers in the top 2 tax brackets; retains the limitation on itemized deductions (Pease) and the personal exemption phaseout (PEP) for taxpayers with income greater than \$250,000 for married couples (\$200,000 for unmarried individuals), indexed for inflation after 2009; retains a top statutory tax rate of 39.6 percent; retains the 36 percent tax rate and adjusts the threshold for the 36-percent bracket to equal \$250,000 less the standard deduction and two personal exemptions for married couples, \$200,000 less the standard deduction and one personal exemption for singles, and an amount equal to the midpoint of the married and single thresholds for heads of household, with the dollar values indexed for inflation after 2009.

(2) Only tax units that see a tax increase from the Administration's tax proposal relative to current policy. Excludes tax units that are dependents of other tax units.

(3) Business income includes schedule C and E income.