

T10-0236
Tax Units with Tax Increase from Administration's Tax Proposal
Relative to Full Extension of Tax Cuts, 2011 ¹

Filing Status ²	Tax Units (thousands)								Tax Units with Tax Increase Under Administration Plan by Provision ⁶							
	All		with Cash Income ³ above \$200K/\$250K ⁴		with AGI above \$200K/\$250K ⁴		with TI above 36 percent bracket threshold ⁵		All Provisions		Top Two Tax Rates		Personal Exemption Phaseout/Limitation on Itemized Deductions		Capital Gains and Dividends Rate	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Single	67,890		920	1.4	490	0.7	420	0.6	400	0.6	140	0.2	200	0.3	380	0.6
Married Filing Jointly	60,790		3,710	6.1	2,810	4.6	2,390	3.9	2,170	3.6	570	0.9	910	1.5	2,060	3.4
Head of Household	24,180		160	0.7	90	0.4	70	0.3	50	0.2	20	0.1	20	0.1	40	0.2
Married Filing Separately	2,510		140	5.5	100	3.8	80	3.1	70	2.7	20	0.7	30	1.3	50	2.0
All	155,370		4,930	3.2	3,480	2.2	2,950	1.9	2,690	1.7	740	0.5	1,170	0.8	2,540	1.6

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

(1) Calendar year. The tax increase is measured relative to a baseline of current policy, which fully extends the 2001-2003 tax cuts. The Administration's 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. Numbers have been rounded to the nearest ten.

(2) The analysis excludes tax units that are dependents of other taxpayers.

(3) For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>.

(4) Values are expressed in 2009 dollars.

(5) Taxable income under the Administration's proposal relative to the starting point for the 36 percent tax bracket under that proposal. See tax brackets (labeled "FY2011 Budget") at http://www.taxpolicycenter.org/taxtopics/TCE_parameters_2011.cfm.

(6) The column entitled "Top 2 Tax Rates" for example, shows the number and percent of tax units who would pay higher taxes if only the provision to increase the top two rates were implemented.