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Table T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014 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	24.6	11.1	2.6	-2.4	-138	-2.4	3.4
10-20	32.3	13.8	1.7	-6.9	-259	-1.6	2.8
20-30	37.1	20.3	1.0	-5.6	-241	-0.9	7.7
30-40	42.2	22.6	0.7	-4.1	-228	-0.6	11.8
40-50	41.6	23.5	0.6	-3.3	-233	-0.5	14.8
50-75	37.9	29.3	0.4	-5.2	-212	-0.3	17.2
75-100	34.5	36.9	0.2	-2.6	-163	-0.2	18.9
100-200	23.8	52.6	0.1	-2.8	-115	-0.1	21.6
200-500	10.3	79.0	-0.7	10.6	1,483	0.5	24.9
500-1,000	1.9	97.2	-3.4	23.0	18,599	2.6	27.8
More than 1,000	0.9	98.8	-6.8	99.1	154,407	4.9	33.5
All	32.4	29.5	-0.9	100.0	576	0.7	21.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 5.7

Proposal: 4.6

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

(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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014¹
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	24.6	11.1	2.6	-2.4	-138	-41.7	-0.1	0.1	-2.4	3.4
10-20	32.3	13.8	1.7	-6.9	-259	-37.1	-0.3	0.4	-1.6	2.8
20-30	37.1	20.3	1.0	-5.6	-241	-10.6	-0.2	1.5	-0.9	7.7
30-40	42.2	22.6	0.7	-4.1	-228	-5.0	-0.2	2.6	-0.6	11.8
40-50	41.6	23.5	0.6	-3.3	-233	-3.2	-0.2	3.3	-0.5	14.8
50-75	37.9	29.3	0.4	-5.2	-212	-1.8	-0.5	9.1	-0.3	17.2
75-100	34.5	36.9	0.2	-2.6	-163	-0.9	-0.4	9.2	-0.2	18.9
100-200	23.8	52.6	0.1	-2.8	-115	-0.4	-1.0	25.1	-0.1	21.6
200-500	10.3	79.0	-0.7	10.6	1,483	2.0	-0.2	17.8	0.5	24.9
500-1,000	1.9	97.2	-3.4	23.0	18,599	10.2	0.5	8.2	2.6	27.8
More than 1,000	0.9	98.8	-6.8	99.1	154,407	17.0	2.6	22.5	4.9	33.5
All	32.4	29.5	-0.9	100.0	576	3.4	0.0	100.0	0.7	21.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014¹

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 of Total					Percent of Total	Percent of Total	
Less than 10	16,395	10.1	5,731	332	5,399	5.8	0.7	0.9	0.2
10-20	24,950	15.4	15,992	699	15,293	4.4	3.0	3.7	0.6
20-30	21,464	13.3	26,534	2,270	24,264	8.6	4.3	5.0	1.8
30-40	16,563	10.2	37,088	4,590	32,498	12.4	4.7	5.2	2.8
40-50	13,107	8.1	47,849	7,330	40,519	15.3	4.8	5.1	3.5
50-75	22,796	14.1	65,785	11,523	54,262	17.5	11.4	11.9	9.6
75-100	14,829	9.2	92,580	17,646	74,933	19.1	10.4	10.6	9.6
100-200	22,547	13.9	145,308	31,564	113,745	21.7	24.9	24.6	26.1
200-500	6,681	4.1	302,126	73,598	228,527	24.4	15.3	14.6	18.0
500-1,000	1,152	0.7	725,130	183,150	541,980	25.3	6.3	6.0	7.7
More than 1,000	598	0.4	3,175,497	909,071	2,266,427	28.6	14.4	13.0	19.9
All	161,771	100.0	81,418	16,876	64,542	20.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 5.7

Proposal: 4.6

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

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(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

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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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014¹
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	18.2	10.9	1.8	-9.2	-92	-18.5	-0.2	0.7	-1.6	7.1
10-20	19.1	16.6	0.7	-13.8	-105	-8.4	-0.3	2.6	-0.7	7.2
20-30	26.4	25.7	0.5	-11.2	-113	-3.4	-0.3	5.3	-0.4	12.0
30-40	34.2	26.3	0.4	-8.6	-128	-2.1	-0.3	6.7	-0.4	16.0
40-50	26.3	28.7	0.2	-4.7	-92	-1.0	-0.2	7.8	-0.2	18.9
50-75	16.3	38.6	0.2	-6.2	-80	-0.6	-0.4	18.1	-0.1	21.4
75-100	14.4	47.5	0.1	-1.3	-39	-0.2	-0.2	12.0	0.0	23.5
100-200	7.1	64.9	-0.2	7.4	224	0.7	-0.2	19.1	0.2	24.4
200-500	5.4	87.4	-1.2	19.4	2,643	3.4	0.2	9.8	0.9	26.0
500-1,000	3.3	95.3	-3.7	24.9	19,117	10.1	0.4	4.6	2.7	29.4
More than 1,000	0.0	99.9	-6.9	103.1	143,956	15.3	1.6	13.1	4.8	35.9
All	20.9	27.6	-0.5	100.0	166	1.7	0.0	100.0	0.4	21.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014¹

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	11,785	16.4	5,738	500	5,238	8.7	2.0	2.3	0.9
10-20	15,609	21.8	15,863	1,254	14,610	7.9	7.4	8.6	2.8
20-30	11,803	16.5	26,403	3,287	23,116	12.5	9.3	10.3	5.6
30-40	7,961	11.1	37,030	6,056	30,975	16.4	8.8	9.3	7.0
40-50	6,076	8.5	47,870	9,155	38,715	19.1	8.7	8.9	8.0
50-75	9,192	12.8	65,017	13,964	51,053	21.5	17.9	17.7	18.5
75-100	3,953	5.5	91,214	21,455	69,759	23.5	10.8	10.4	12.3
100-200	3,918	5.5	140,835	34,092	106,743	24.2	16.5	15.8	19.3
200-500	873	1.2	305,307	76,717	228,590	25.1	8.0	7.5	9.7
500-1,000	155	0.2	710,840	189,624	521,216	26.7	3.3	3.0	4.3
More than 1,000	85	0.1	3,020,093	941,138	2,078,955	31.2	7.7	6.7	11.6
All	71,749	100.0	46,638	9,646	36,992	20.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

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(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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014¹
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	20.0	19.2	2.4	-0.3	-108	-40.6	0.0	0.0	-2.2	3.3
10-20	39.0	17.0	1.9	-1.4	-307	-66.7	-0.1	0.0	-1.9	0.9
20-30	44.5	21.4	1.4	-1.9	-353	-27.8	-0.1	0.2	-1.3	3.4
30-40	45.4	29.9	1.0	-1.7	-327	-12.0	-0.1	0.6	-0.9	6.5
40-50	52.8	26.4	0.9	-1.8	-375	-7.7	-0.1	1.0	-0.8	9.3
50-75	55.1	26.2	0.5	-3.1	-288	-3.1	-0.4	4.3	-0.4	13.3
75-100	43.9	34.5	0.2	-1.9	-185	-1.2	-0.4	7.3	-0.2	16.6
100-200	28.1	50.5	0.2	-4.0	-197	-0.6	-1.5	28.1	-0.1	21.0
200-500	11.3	77.8	-0.6	8.3	1,269	1.7	-0.6	21.8	0.4	24.7
500-1,000	1.6	97.5	-3.4	20.7	18,498	10.1	0.5	10.1	2.5	27.6
More than 1,000	1.1	98.6	-6.8	87.0	152,387	17.2	2.8	26.6	4.9	33.0
All	36.7	39.7	-1.3	100.0	1,384	4.7	0.0	100.0	1.0	22.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014¹

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 of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,149	3.5	4,856	267	4,590	5.5	0.1	0.2	0.0
10-20	3,779	6.1	16,580	460	16,121	2.8	0.7	0.9	0.1
20-30	4,683	7.6	26,660	1,269	25,391	4.8	1.5	1.8	0.3
30-40	4,384	7.1	37,167	2,726	34,441	7.3	1.9	2.3	0.7
40-50	4,031	6.5	47,976	4,853	43,123	10.1	2.3	2.6	1.1
50-75	9,255	15.0	66,869	9,156	57,712	13.7	7.3	8.1	4.7
75-100	8,936	14.4	93,299	15,651	77,648	16.8	9.9	10.5	7.7
100-200	17,410	28.1	146,871	30,965	115,906	21.1	30.2	30.4	29.6
200-500	5,581	9.0	301,626	73,087	228,540	24.2	19.9	19.2	22.4
500-1,000	957	1.6	728,191	182,477	545,714	25.1	8.2	7.9	9.6
More than 1,000	490	0.8	3,139,514	884,342	2,255,172	28.2	18.2	16.6	23.8
All	61,925	100.0	136,599	29,414	107,185	21.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

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(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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014¹
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	61.7	5.1	5.8	11.0	-405	84.5	-0.7	-1.3	-6.2	-13.6
10-20	67.0	3.0	4.1	42.4	-689	81.3	-2.5	-5.3	-4.3	-9.6
20-30	56.9	6.0	1.8	25.3	-464	-83.1	-1.3	0.3	-1.7	0.4
30-40	56.3	7.4	1.0	15.1	-335	-9.6	-0.4	7.9	-0.9	8.5
40-50	62.2	8.5	0.9	11.2	-364	-5.5	0.0	10.8	-0.8	13.2
50-75	51.3	14.8	0.7	16.6	-372	-3.4	0.5	26.8	-0.6	16.5
75-100	37.3	23.8	0.5	7.1	-375	-2.0	0.6	19.2	-0.4	19.8
100-200	16.5	41.9	0.1	1.0	-77	-0.3	1.1	21.5	-0.1	22.9
200-500	8.7	70.3	-0.6	-2.7	1,323	1.8	0.6	8.3	0.4	24.5
500-1,000	1.7	96.6	-3.1	-5.6	16,777	10.1	0.5	3.4	2.4	26.1
More than 1,000	0.0	99.0	-6.9	-21.6	146,185	16.9	1.6	8.4	4.9	34.0
All	55.6	10.3	0.9	100.0	-335	-5.3	0.0	100.0	-0.8	13.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014¹

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 of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,328	9.1	6,522	-479	7,001	-7.4	1.3	1.7	-0.7
10-20	5,290	20.7	15,961	-847	16,808	-5.3	7.4	9.1	-2.8
20-30	4,676	18.3	26,716	559	26,157	2.1	10.9	12.5	1.6
30-40	3,883	15.2	37,061	3,473	33,588	9.4	12.6	13.3	8.3
40-50	2,649	10.4	47,582	6,624	40,958	13.9	11.0	11.0	10.8
50-75	3,843	15.0	64,966	11,079	53,886	17.1	21.8	21.1	26.3
75-100	1,615	6.3	91,867	18,581	73,287	20.2	13.0	12.1	18.5
100-200	1,055	4.1	136,677	31,428	105,249	23.0	12.6	11.3	20.4
200-500	174	0.7	299,733	72,065	227,668	24.0	4.6	4.0	7.7
500-1,000	28	0.1	701,148	165,968	535,181	23.7	1.7	1.6	2.9
More than 1,000	13	0.1	2,976,702	865,789	2,110,914	29.1	3.3	2.7	6.8
All	25,605	100.0	44,717	6,333	38,385	14.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

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<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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014 ¹
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	64.1	2.2	6.2	-4.4	-433	62.9	-0.1	-0.3	-6.9	-18.0
10-20	79.2	2.0	4.8	-17.5	-847	56.5	-0.4	-1.2	-5.2	-14.5
20-30	70.0	4.1	2.4	-13.3	-645	539.2	-0.3	-0.4	-2.4	-2.9
30-40	70.7	4.9	1.6	-9.6	-534	-18.9	-0.3	1.0	-1.4	6.2
40-50	73.6	5.7	1.3	-8.1	-557	-9.3	-0.3	2.0	-1.2	11.3
50-75	64.9	10.9	0.8	-12.5	-455	-4.4	-0.5	6.8	-0.7	15.0
75-100	54.7	19.2	0.5	-7.5	-356	-2.1	-0.4	8.7	-0.4	17.6
100-200	38.1	38.1	0.4	-15.0	-406	-1.3	-1.1	28.4	-0.3	21.1
200-500	13.7	72.7	-0.5	12.5	1,088	1.5	-0.2	22.0	0.4	25.3
500-1,000	1.9	97.3	-3.8	36.9	20,365	10.5	0.7	9.7	2.8	29.5
More than 1,000	0.6	99.3	-7.3	138.4	162,210	17.5	3.0	23.3	5.2	34.7
All	57.6	19.2	-0.7	100.0	544	2.6	0.0	100.0	0.5	21.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014 ¹

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 of Total					Percent of Total	Percent of Total	
Less than 10	2,749	5.5	6,253	-690	6,942	-11.0	0.3	0.5	-0.2
10-20	5,590	11.2	16,191	-1,498	17,689	-9.3	1.8	2.4	-0.8
20-30	5,566	11.2	26,627	-120	26,747	-0.5	2.9	3.7	-0.1
30-40	4,882	9.8	37,104	2,830	34,274	7.6	3.6	4.1	1.3
40-50	3,929	7.9	47,874	5,977	41,897	12.5	3.7	4.1	2.2
50-75	7,405	14.9	66,154	10,345	55,808	15.6	9.6	10.2	7.3
75-100	5,694	11.4	93,283	16,802	76,481	18.0	10.4	10.7	9.1
100-200	9,988	20.1	146,051	31,168	114,883	21.3	28.6	28.3	29.5
200-500	3,118	6.3	300,423	75,027	225,396	25.0	18.3	17.3	22.2
500-1,000	490	1.0	724,847	193,721	531,126	26.7	7.0	6.4	9.0
More than 1,000	231	0.5	3,138,297	925,885	2,212,412	29.5	14.2	12.6	20.3
All	49,780	100.0	102,631	21,174	81,457	20.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

(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 T10-0243
Administration's FY2011 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2014 ¹
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	4.4	28.2	0.0	0.0	-2	-0.9	0.0	0.1	0.0	3.3
10-20	3.8	26.6	0.0	0.0	0	-0.1	0.0	0.5	0.0	2.3
20-30	6.8	47.5	0.0	0.2	10	0.9	-0.1	1.3	0.0	4.2
30-40	7.4	60.1	-0.1	0.5	47	2.3	-0.1	1.6	0.1	5.6
40-50	8.5	64.8	-0.1	0.4	50	1.6	-0.1	1.6	0.1	6.6
50-75	12.0	67.9	-0.1	0.9	71	1.1	-0.4	5.9	0.1	9.6
75-100	12.0	72.7	-0.2	1.1	128	1.1	-0.5	7.1	0.1	12.7
100-200	6.0	83.9	-0.4	4.6	441	1.8	-1.0	18.5	0.3	17.4
200-500	4.8	92.2	-1.0	9.0	2,434	3.7	-0.7	17.7	0.8	22.2
500-1,000	1.3	97.5	-3.0	13.2	16,741	9.6	0.2	10.6	2.3	26.3
More than 1,000	0.5	99.1	-6.6	70.1	151,444	16.2	2.6	35.2	4.7	33.6
All	7.1	55.3	-1.5	100.0	996	7.5	0.0	100.0	1.3	17.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2014 ¹

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 of Total					Percent of Total	Percent of Total	
Less than 10	2,141	6.7	6,199	208	5,992	3.4	0.5	0.6	0.1
10-20	6,773	21.1	16,256	366	15,891	2.3	4.3	5.1	0.6
20-30	5,562	17.3	26,342	1,083	25,259	4.1	5.7	6.6	1.4
30-40	3,452	10.7	36,971	2,019	34,953	5.5	5.0	5.7	1.6
40-50	2,280	7.1	47,737	3,122	44,615	6.5	4.3	4.8	1.7
50-75	4,211	13.1	66,263	6,296	59,967	9.5	10.9	11.9	6.2
75-100	2,785	8.7	91,958	11,576	80,382	12.6	10.0	10.5	7.6
100-200	3,346	10.4	145,447	24,853	120,594	17.1	19.0	19.0	19.5
200-500	1,188	3.7	307,476	65,860	241,616	21.4	14.3	13.5	18.4
500-1,000	253	0.8	728,374	175,013	553,360	24.0	7.2	6.6	10.4
More than 1,000	148	0.5	3,239,966	935,528	2,304,438	28.9	18.8	16.1	32.5
All	32,167	100.0	79,440	13,258	66,182	16.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets; (j) limit value of itemized deductions to 28 percent. Business provisions included were making the research and experimentation tax credit permanent, taxing carried interest as ordinary income, repealing LIFO, international corporate tax reforms, and reforms affecting the tax treatment of financial institutions.

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