

Table T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
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	16.6	0.0	1.3	-5.9	-123	-1.2	3.0
Second Quintile	15.5	0.0	0.4	-4.4	-103	-0.4	9.0
Middle Quintile	7.7	0.0	-0.1	1.1	28	0.1	15.7
Fourth Quintile	0.4	0.1	-0.1	3.0	93	0.1	19.4
Top Quintile	1.5	20.2	-1.9	106.1	3,752	1.4	26.1
All	9.5	3.0	-0.9	100.0	524	0.7	21.3
Addendum							
80-90	1.3	1.0	-0.2	3.2	222	0.2	21.6
90-95	2.9	9.3	-0.2	1.8	265	0.1	23.3
95-99	0.7	64.3	-1.0	13.9	2,447	0.7	25.3
Top 1 Percent	0.4	88.7	-5.1	87.3	60,512	3.7	32.0
Top 0.1 Percent	2.4	95.8	-6.6	50.9	349,456	4.6	35.7

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.7

(1) Calendar year. Baseline is current policy. Proposal is the Middle Class Tax Relief Act of 2010 as passed by the House. This started with current law then includes extending the 10, 25, 28 and 33% brackets; extending the \$1,000 child tax credit and refundability with an unindexed \$3,000 threshold; expansion of the dependent care tax credit; setting the standard deduction and 15% rate bracket for joint returns at twice that of singles; extending the expansion of the student loan interest deduction; for units making under \$200,000 (\$250,000 for married filing jointly) repealing PEP and Pease as well as extending the 0% and 15% rates on capital gains and dividends; capital gains rate of 20% and dividends taxed as ordinary income for those above these thresholds; the use of AGI instead of modified AGI for the EITC; increasing the EITC beginning and ending income phaseout by \$5,000 indexed after 2008 for joint returns; AMT exemption level of \$47,750 (\$72,450 for joint units) and allowing personal non-refundable credits regardless of tentative AMT.

(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% 17878, 40% 34929, 60% 64051, 80% 104588, 90% 168991, 95% 212858, 99% 564605, 99.9% 2378493.

(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 T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
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	16.6	0.0	1.3	-5.9	-123	-28.9	-0.2	0.5	-1.2	3.0
Second Quintile	15.5	0.0	0.4	-4.4	-103	-4.2	-0.3	3.5	-0.4	9.0
Middle Quintile	7.7	0.0	-0.1	1.1	28	0.4	-0.3	10.0	0.1	15.7
Fourth Quintile	0.4	0.1	-0.1	3.0	93	0.6	-0.5	18.0	0.1	19.4
Top Quintile	1.5	20.2	-1.9	106.1	3,752	5.7	1.4	67.9	1.4	26.1
All	9.5	3.0	-0.9	100.0	524	3.6	0.0	100.0	0.7	21.3
Addendum										
80-90	1.3	1.0	-0.2	3.2	222	0.8	-0.4	14.4	0.2	21.6
90-95	2.9	9.3	-0.2	1.8	265	0.6	-0.3	10.6	0.1	23.3
95-99	0.7	64.3	-1.0	13.9	2,447	3.0	-0.1	16.5	0.7	25.3
Top 1 Percent	0.4	88.7	-5.1	87.3	60,512	12.9	2.2	26.4	3.7	32.0
Top 0.1 Percent	2.4	95.8	-6.6	50.9	349,456	14.7	1.3	13.7	4.6	35.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011¹

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-	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
Lowest Quintile	38,689	24.9	10,104	427	9,676	4.2	3.5	4.3	0.7
Second Quintile	34,791	22.4	26,055	2,456	23,599	9.4	8.2	9.3	3.8
Middle Quintile	31,468	20.3	47,861	7,471	40,389	15.6	13.6	14.4	10.3
Fourth Quintile	26,224	16.9	83,492	16,115	67,376	19.3	19.7	20.1	18.5
Top Quintile	23,017	14.8	266,653	65,908	200,745	24.7	55.3	52.4	66.5
All	155,368	100.0	71,397	14,678	56,719	20.6	100.0	100.0	100.0
Addendum									
80-90	11,632	7.5	135,387	29,064	106,323	21.5	14.2	14.0	14.8
90-95	5,600	3.6	191,302	44,323	146,979	23.2	9.7	9.3	10.9
95-99	4,610	3.0	335,472	82,252	253,220	24.5	13.9	13.3	16.6
Top 1 Percent	1,173	0.8	1,657,208	469,965	1,187,243	28.4	17.5	15.8	24.2
Top 0.1 Percent	118	0.1	7,645,482	2,376,453	5,269,030	31.1	8.2	7.1	12.3

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.7

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(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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Table T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	25.1	0.0	2.2	-8.2	-209	-697.6	-0.3	-0.2	-2.2	-1.9
Second Quintile	16.8	0.0	0.4	-3.3	-82	-4.6	-0.2	2.3	-0.4	7.2
Middle Quintile	2.5	0.0	-0.1	0.9	24	0.4	-0.3	8.2	0.1	14.7
Fourth Quintile	0.4	0.1	-0.1	1.8	49	0.4	-0.5	16.9	0.1	18.6
Top Quintile	1.0	16.0	-1.8	108.8	3,042	5.4	1.3	72.6	1.3	26.0
All	9.5	3.0	-0.9	100.0	524	3.6	0.0	100.0	0.7	21.3
Addendum										
80-90	1.2	1.4	-0.2	2.6	143	0.6	-0.5	15.6	0.1	22.1
90-95	1.4	6.9	-0.2	2.1	233	0.6	-0.3	11.7	0.1	23.0
95-99	0.5	46.5	-0.9	13.3	1,860	2.7	-0.2	17.7	0.7	25.0
Top 1 Percent	0.4	86.7	-5.0	90.9	51,795	12.8	2.3	27.6	3.6	31.9
Top 0.1 Percent	2.0	95.5	-6.6	52.7	302,509	14.7	1.4	14.2	4.5	35.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	32,088	20.7	9,444	30	9,414	0.3	2.7	3.4	0.0
Second Quintile	32,356	20.8	23,627	1,791	21,836	7.6	6.9	8.0	2.5
Middle Quintile	31,037	20.0	42,612	6,231	36,381	14.6	11.9	12.8	8.5
Fourth Quintile	29,612	19.1	72,730	13,454	59,276	18.5	19.4	19.9	17.5
Top Quintile	29,097	18.7	226,371	55,882	170,489	24.7	59.4	56.3	71.3
All	155,368	100.0	71,397	14,678	56,719	20.6	100.0	100.0	100.0
Addendum									
80-90	14,625	9.4	113,950	25,060	88,890	22.0	15.0	14.8	16.1
90-95	7,225	4.7	166,290	37,976	128,314	22.8	10.8	10.5	12.0
95-99	5,819	3.8	287,908	70,124	217,784	24.4	15.1	14.4	17.9
Top 1 Percent	1,427	0.9	1,431,713	404,322	1,027,391	28.2	18.4	16.6	25.3
Top 0.1 Percent	142	0.1	6,661,061	2,063,974	4,597,088	31.0	8.5	7.4	12.8

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.7

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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% 12032, 40% 23094, 60% 39707, 80% 67084, 90% 97696, 95% 137553, 99% 353093, 99.9% 1429554.

(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; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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Table T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	6.3	0.0	0.6	-3.2	-43	-8.6	-0.2	1.4	-0.6	6.3
Second Quintile	1.3	0.0	0.0	-0.3	-5	-0.3	-0.2	4.9	0.0	10.2
Middle Quintile	0.0	0.0	-0.3	4.0	67	1.3	-0.4	12.6	0.2	16.7
Fourth Quintile	0.0	0.1	-0.3	5.5	117	1.1	-0.6	19.7	0.2	20.5
Top Quintile	0.0	7.9	-2.2	93.9	2,377	6.5	1.4	61.2	1.7	27.2
All	1.9	1.1	-1.1	100.0	343	4.1	0.0	100.0	0.9	21.5
Addendum										
80-90	0.0	0.3	-0.6	8.6	375	2.0	-0.4	17.6	0.5	24.0
90-95	0.0	0.9	-1.0	6.1	830	3.1	-0.1	8.0	0.7	24.2
95-99	0.0	21.1	-1.8	19.9	2,627	5.6	0.2	14.8	1.3	25.3
Top 1 Percent	0.0	84.5	-5.6	59.3	36,060	12.7	1.6	20.8	3.9	34.5
Top 0.1 Percent	0.2	96.4	-6.7	28.2	196,292	12.7	0.8	9.9	4.4	38.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	17,342	25.6	7,211	500	6,711	6.9	4.6	5.4	1.5
Second Quintile	15,774	23.2	18,097	1,845	16,253	10.2	10.5	11.8	5.2
Middle Quintile	14,041	20.7	31,607	5,205	26,403	16.5	16.3	17.1	13.0
Fourth Quintile	10,941	16.1	51,701	10,486	41,214	20.3	20.7	20.8	20.3
Top Quintile	9,181	13.5	144,174	36,790	107,384	25.5	48.5	45.5	59.9
All	67,885	100.0	40,235	8,313	31,922	20.7	100.0	100.0	100.0
Addendum									
80-90	5,333	7.9	80,855	19,045	61,810	23.6	15.8	15.2	18.0
90-95	1,706	2.5	114,052	26,732	87,320	23.4	7.1	6.9	8.1
95-99	1,760	2.6	195,574	46,788	148,786	23.9	12.6	12.1	14.6
Top 1 Percent	382	0.6	925,225	283,177	642,048	30.6	13.0	11.3	19.2
Top 0.1 Percent	33	0.1	4,471,123	1,544,899	2,926,224	34.6	5.5	4.5	9.1

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

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Table T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	29.5	0.0	2.2	-2.9	-263	-2,310.0	-0.1	-0.1	-2.2	-2.1
Second Quintile	38.4	0.0	0.6	-2.5	-171	-8.1	-0.1	1.1	-0.6	6.4
Middle Quintile	6.2	0.0	0.0	-0.3	-13	-0.2	-0.2	5.1	0.0	13.1
Fourth Quintile	0.6	0.0	0.0	0.2	8	0.1	-0.6	14.7	0.0	17.6
Top Quintile	1.6	19.5	-1.7	105.5	3,401	5.2	1.0	79.0	1.3	25.7
All	10.6	5.9	-1.0	100.0	971	3.8	0.0	100.0	0.8	22.2
Addendum										
80-90	2.0	1.8	0.0	0.1	9	0.0	-0.6	15.1	0.0	21.4
90-95	1.8	7.4	0.0	0.4	40	0.1	-0.5	13.6	0.0	22.7
95-99	0.7	56.9	-0.6	10.0	1,541	1.9	-0.4	19.7	0.5	25.0
Top 1 Percent	0.5	87.0	-4.9	95.1	56,989	12.9	2.5	30.6	3.6	31.2
Top 0.1 Percent	2.8	95.0	-6.6	56.4	334,024	15.2	1.6	15.7	4.6	34.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	6,595	10.9	12,228	11	12,216	0.1	1.1	1.4	0.0
Second Quintile	8,716	14.3	30,188	2,114	28,074	7.0	3.6	4.3	1.2
Middle Quintile	11,411	18.8	55,037	7,245	47,791	13.2	8.7	9.6	5.3
Fourth Quintile	15,305	25.2	88,301	15,490	72,811	17.5	18.6	19.6	15.3
Top Quintile	18,319	30.1	270,257	66,055	204,202	24.4	68.3	65.6	78.0
All	60,792	100.0	119,298	25,513	93,785	21.4	100.0	100.0	100.0
Addendum									
80-90	8,305	13.7	137,135	29,282	107,852	21.4	15.7	15.7	15.7
90-95	5,212	8.6	184,390	41,889	142,501	22.7	13.3	13.0	14.1
95-99	3,817	6.3	332,882	81,641	251,241	24.5	17.5	16.8	20.1
Top 1 Percent	985	1.6	1,604,062	443,495	1,160,566	27.7	21.8	20.1	28.2
Top 0.1 Percent	100	0.2	7,259,778	2,197,427	5,062,351	30.3	10.0	8.9	14.1

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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 T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	63.3	0.0	4.1	115.7	-533	52.5	-3.8	-10.5	-4.4	-12.8
Second Quintile	25.3	0.0	0.6	30.1	-147	-12.1	-0.7	6.8	-0.5	3.8
Middle Quintile	1.6	0.0	0.0	1.3	-9	-0.1	0.8	28.6	0.0	14.6
Fourth Quintile	0.2	0.2	0.0	-1.3	17	0.1	1.1	33.5	0.0	19.5
Top Quintile	0.0	21.7	-1.1	-45.9	1,490	3.6	2.7	41.6	0.9	24.8
All	28.8	1.0	0.5	100.0	-150	-3.0	0.0	100.0	-0.4	12.6
Addendum										
80-90	0.0	5.1	0.0	-0.6	31	0.1	0.4	14.0	0.0	22.5
90-95	0.0	33.5	-0.2	-1.5	225	0.6	0.3	7.4	0.1	23.0
95-99	0.1	61.0	-0.6	-5.2	1,207	2.0	0.4	8.5	0.5	23.3
Top 1 Percent	0.0	96.9	-4.6	-38.6	43,160	11.5	1.5	11.7	3.3	31.8
Top 0.1 Percent	0.0	98.6	-6.0	-22.3	257,233	13.5	0.9	5.9	4.2	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	7,887	32.6	12,078	-1,016	13,094	-8.4	10.3	12.9	-6.7
Second Quintile	7,431	30.7	27,805	1,215	26,590	4.4	22.4	24.7	7.5
Middle Quintile	4,933	20.4	45,998	6,735	39,262	14.6	24.6	24.2	27.7
Fourth Quintile	2,725	11.3	73,336	14,254	59,082	19.4	21.7	20.1	32.4
Top Quintile	1,120	4.6	173,732	41,644	132,088	24.0	21.1	18.5	38.9
All	24,178	100.0	38,105	4,956	33,149	13.0	100.0	100.0	100.0
Addendum									
80-90	690	2.9	104,431	23,508	80,924	22.5	7.8	7.0	13.5
90-95	240	1.0	155,901	35,648	120,254	22.9	4.1	3.6	7.2
95-99	158	0.7	269,398	61,608	207,790	22.9	4.6	4.1	8.1
Top 1 Percent	33	0.1	1,312,435	374,051	938,384	28.5	4.6	3.8	10.2
Top 0.1 Percent	3	0.0	6,172,273	1,912,758	4,259,514	31.0	2.1	1.7	5.0

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

(1) Calendar year. Baseline is current policy. Proposal is the Middle Class Tax Relief Act of 2010 as passed by the House. This started with current law then includes extending the 10, 25, 28 and 33% brackets; extending the \$1,000 child tax credit and refundability with an unindexed \$3,000 threshold; expansion of the dependent care tax credit; setting the standard deduction and 15% rate bracket for joint returns at twice that of singles; extending the expansion of the student loan interest deduction; for units making under \$200,000 (\$250,000 for married filing jointly) repealing PEP and Pease as well as extending the 0% and 15% rates on capital gains and dividends; capital gains rate of 20% and dividends taxed as ordinary income for those above these thresholds; the use of AGI instead of modified AGI for the EITC; increasing the EITC beginning and ending income phaseout by \$5,000 indexed after 2008 for joint returns; AMT exemption level of \$47,750 (\$72,450 for joint units) and allowing personal non-refundable credits regardless of tentative AMT.

(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% 12032, 40% 23094, 60% 39707, 80% 67084, 90% 97696, 95% 137553, 99% 353093, 99.9% 1429554.

(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 T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	67.7	0.0	4.2	-27.7	-595	44.7	-0.6	-2.2	-4.6	-14.9
Second Quintile	49.3	0.0	0.9	-11.8	-256	-19.1	-0.3	1.2	-0.8	3.5
Middle Quintile	7.2	0.0	0.1	-1.1	-23	-0.3	-0.3	9.5	0.0	15.0
Fourth Quintile	1.0	0.2	0.0	0.3	7	0.0	-0.5	19.3	0.0	19.1
Top Quintile	2.4	28.0	-1.7	140.5	3,721	5.0	1.7	72.1	1.3	26.9
All	26.8	4.8	-0.6	100.0	453	2.5	0.0	100.0	0.5	20.8
Addendum										
80-90	3.3	4.5	0.0	0.1	5	0.0	-0.4	17.5	0.0	22.9
90-95	2.6	21.5	0.0	0.4	38	0.1	-0.3	11.0	0.0	23.5
95-99	0.5	87.0	-0.8	16.2	2,318	2.2	0.0	17.8	0.6	26.5
Top 1 Percent	0.1	95.3	-5.5	123.9	72,915	13.2	2.4	25.7	3.9	33.2
Top 0.1 Percent	0.0	99.1	-6.8	68.7	420,258	15.0	1.4	12.8	4.7	36.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	10,310	21.1	12,926	-1,333	14,259	-10.3	3.0	4.2	-1.5	
Second Quintile	10,241	20.9	31,439	1,340	30,098	4.3	7.3	8.8	1.5	
Middle Quintile	10,011	20.5	57,698	8,666	49,032	15.0	13.1	14.0	9.7	
Fourth Quintile	9,734	19.9	95,141	18,171	76,970	19.1	21.0	21.4	19.8	
Top Quintile	8,370	17.1	293,509	75,110	218,399	25.6	55.8	52.1	70.4	
All	48,902	100.0	90,027	18,273	71,754	20.3	100.0	100.0	100.0	
Addendum										
80-90	4,384	9.0	159,819	36,531	123,288	22.9	15.9	15.4	17.9	
90-95	2,061	4.2	208,624	48,911	159,713	23.4	9.8	9.4	11.3	
95-99	1,548	3.2	398,512	103,269	295,243	25.9	14.0	13.0	17.9	
Top 1 Percent	377	0.8	1,883,158	551,966	1,331,192	29.3	16.1	14.3	23.3	
Top 0.1 Percent	36	0.1	8,972,972	2,811,898	6,161,074	31.3	7.4	6.4	11.4	

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

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. Proposal is the Middle Class Tax Relief Act of 2010 as passed by the House. This started with current law then includes extending the 10, 25, 28 and 33% brackets; extending the \$1,000 child tax credit and refundability with an unindexed \$3,000 threshold; expansion of the dependent care tax credit; setting the standard deduction and 15% rate bracket for joint returns at twice that of singles; extending the expansion of the student loan interest deduction; for units making under \$200,000 (\$250,000 for married filing jointly) repealing PEP and Pease as well as extending the 0% and 15% rates on capital gains and dividends; capital gains rate of 20% and dividends taxed as ordinary income for those above these thresholds; the use of AGI instead of modified AGI for the EITC; increasing the EITC beginning and ending income phaseout by \$5,000 indexed after 2008 for joint returns; AMT exemption level of \$47,750 (\$72,450 for joint units) and allowing personal non-refundable credits regardless of tentative AMT.

(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% 12032, 40% 23094, 60% 39707, 80% 67084, 90% 97696, 95% 137553, 99% 353093, 99.9% 1429554.

(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; 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 T10-0262
Middle Class Tax Relief Act of 2010 as Passed by the House
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
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	2.5	0.0	0.1	-0.1	-5	-2.6	0.0	0.2	-0.1	2.1
Second Quintile	1.3	0.0	0.0	0.0	1	0.2	-0.1	1.3	0.0	3.3
Middle Quintile	1.7	0.0	-0.4	2.8	143	7.4	0.0	3.3	0.4	5.5
Fourth Quintile	0.3	0.1	-0.4	4.2	243	3.6	-0.5	9.9	0.4	10.5
Top Quintile	0.6	13.5	-2.8	93.0	5,252	9.8	0.7	85.2	2.2	24.7
All	1.2	2.6	-1.8	100.0	1,074	8.9	0.0	100.0	1.5	18.2
Addendum										
80-90	0.5	0.3	-0.9	6.0	809	5.3	-0.3	9.8	0.8	15.9
90-95	0.8	1.2	-0.8	4.5	979	3.5	-0.6	10.9	0.6	18.8
95-99	0.6	28.7	-1.9	17.3	3,933	7.1	-0.4	21.3	1.5	23.0
Top 1 Percent	0.3	81.5	-5.6	65.2	50,225	14.1	2.0	43.2	4.0	32.5
Top 0.1 Percent	0.2	96.4	-6.8	34.5	268,895	14.6	1.1	22.2	4.6	36.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

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	
Lowest Quintile	4,506	15.2	9,360	200	9,160	2.1	2.0	2.3	0.3
Second Quintile	7,883	26.6	20,279	659	19,620	3.3	7.5	8.7	1.5
Middle Quintile	6,115	20.6	37,583	1,929	35,654	5.1	10.7	12.2	3.3
Fourth Quintile	5,492	18.5	66,892	6,782	60,110	10.1	17.1	18.5	10.4
Top Quintile	5,641	19.0	238,549	53,663	184,885	22.5	62.8	58.4	84.5
All	29,671	100.0	72,226	12,069	60,156	16.7	100.0	100.0	100.0
Addendum									
80-90	2,365	8.0	101,108	15,310	85,798	15.1	11.2	11.4	10.1
90-95	1,463	4.9	154,859	28,190	126,668	18.2	10.6	10.4	11.5
95-99	1,400	4.7	258,158	55,476	202,682	21.5	16.9	15.9	21.7
Top 1 Percent	414	1.4	1,253,756	356,828	896,928	28.5	24.2	20.8	41.2
Top 0.1 Percent	41	0.1	5,790,192	1,841,605	3,948,587	31.8	11.1	9.1	21.1

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

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. Proposal is the Middle Class Tax Relief Act of 2010 as passed by the House. This started with current law then includes extending the 10, 25, 28 and 33% brackets; extending the \$1,000 child tax credit and refundability with an unindexed \$3,000 threshold; expansion of the dependent care tax credit; setting the standard deduction and 15% rate bracket for joint returns at twice that of singles; extending the expansion of the student loan interest deduction; for units making under \$200,000 (\$250,000 for married filing jointly) repealing PEP and Pease as well as extending the 0% and 15% rates on capital gains and dividends; capital gains rate of 20% and dividends taxed as ordinary income for those above these thresholds; the use of AGI instead of modified AGI for the EITC; increasing the EITC beginning and ending income phaseout by \$5,000 indexed after 2008 for joint returns; AMT exemption level of \$47,750 (\$72,450 for joint units) and allowing personal non-refundable credits regardless of tentative AMT.

(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>

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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; 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.