

Table T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011 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	70.6	0.0	4.1	1.0	-234	-3.9	0.8
10-20	71.2	0.0	3.8	3.3	-559	-3.6	1.9
20-30	84.4	0.0	4.6	4.9	-1,050	-4.1	7.0
30-40	91.6	0.0	4.7	5.3	-1,431	-4.0	11.4
40-50	94.2	0.0	4.4	4.7	-1,679	-3.7	13.9
50-75	97.9	0.0	4.5	10.7	-2,305	-3.6	16.0
75-100	99.3	0.0	5.0	11.5	-3,486	-3.9	17.9
100-200	99.6	0.0	5.7	25.6	-6,224	-4.3	20.5
200-500	99.7	0.0	5.0	13.2	-10,985	-3.6	23.5
500-1,000	99.2	0.0	4.9	5.5	-24,894	-3.5	24.8
More than 1,000	99.7	0.0	6.8	14.2	-139,692	-4.5	29.3
All	87.3	0.0	5.2	100.0	-2,835	-4.0	19.2

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

Number of AMT Taxpayers (millions). Baseline: 17.0

Proposal: 4.7

(1) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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 T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	70.6	0.0	4.1	1.0	-234	-83.5	-0.2	0.0	-3.9	0.8
10-20	71.2	0.0	3.8	3.3	-559	-65.0	-0.5	0.4	-3.6	1.9
20-30	84.4	0.0	4.6	4.9	-1,050	-37.1	-0.5	1.7	-4.1	7.0
30-40	91.6	0.0	4.7	5.3	-1,431	-25.9	-0.4	3.1	-4.0	11.4
40-50	94.2	0.0	4.4	4.7	-1,679	-20.8	-0.2	3.7	-3.7	13.9
50-75	97.9	0.0	4.5	10.7	-2,305	-18.3	-0.1	9.9	-3.6	16.0
75-100	99.3	0.0	5.0	11.5	-3,486	-18.0	-0.1	10.8	-3.9	17.9
100-200	99.6	0.0	5.7	25.6	-6,224	-17.3	0.0	25.4	-4.3	20.5
200-500	99.7	0.0	5.0	13.2	-10,985	-13.3	0.8	17.7	-3.6	23.5
500-1,000	99.2	0.0	4.9	5.5	-24,894	-12.4	0.4	8.0	-3.5	24.8
More than 1,000	99.7	0.0	6.8	14.2	-139,692	-13.4	0.8	19.1	-4.5	29.3
All	87.3	0.0	5.2	100.0	-2,835	-17.1	0.0	100.0	-4.0	19.2

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

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	19,464	12.5	5,994	280	5,714	4.7	1.1	1.3	0.2
10-20	25,819	16.6	15,577	860	14,716	5.5	3.6	4.5	0.9
20-30	20,496	13.2	25,562	2,828	22,734	11.1	4.7	5.5	2.3
30-40	16,279	10.5	35,910	5,530	30,380	15.4	5.3	5.8	3.5
40-50	12,368	8.0	46,021	8,076	37,944	17.6	5.1	5.5	3.9
50-75	20,451	13.2	64,358	12,619	51,739	19.6	11.9	12.4	10.0
75-100	14,481	9.3	89,100	19,404	69,696	21.8	11.6	11.8	10.9
100-200	18,125	11.7	145,747	36,023	109,724	24.7	23.8	23.3	25.4
200-500	5,289	3.4	304,339	82,426	221,914	27.1	14.5	13.8	17.0
500-1,000	968	0.6	709,206	200,539	508,667	28.3	6.2	5.8	7.6
More than 1,000	449	0.3	3,093,967	1,045,847	2,048,120	33.8	12.5	10.8	18.3
All	155,368	100.0	71,397	16,550	54,847	23.2	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 17.0

Proposal: 4.7

(1) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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) 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 T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	69.4	0.0	2.9	2.2	-157	-31.5	-0.2	0.9	-2.7	5.8
10-20	64.8	0.0	2.6	5.8	-363	-24.8	-0.4	3.3	-2.4	7.2
20-30	82.2	0.0	3.3	8.0	-722	-18.9	-0.3	6.3	-2.8	12.2
30-40	94.6	0.0	3.8	8.7	-1,089	-15.9	0.0	8.5	-3.0	16.1
40-50	97.9	0.0	3.4	7.2	-1,250	-13.2	0.2	8.7	-2.7	17.9
50-75	98.7	0.0	4.2	15.3	-2,034	-13.7	0.4	17.8	-3.2	20.2
75-100	99.4	0.0	4.6	10.3	-3,027	-13.4	0.3	12.3	-3.4	22.3
100-200	98.7	0.0	5.3	15.3	-5,504	-14.8	0.2	16.3	-3.9	22.5
200-500	99.7	0.0	7.1	11.3	-15,355	-17.1	-0.2	10.1	-5.0	24.3
500-1,000	99.6	0.0	8.5	5.4	-41,225	-18.3	-0.2	4.5	-5.8	26.0
More than 1,000	99.1	0.0	8.9	10.3	-170,046	-14.7	0.1	11.1	-5.6	32.3
All	81.4	0.0	4.6	100.0	-1,425	-15.6	0.0	100.0	-3.5	19.2

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

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	13,619	20.1	5,915	500	5,416	8.5	3.0	3.5	1.1
10-20	15,555	22.9	15,418	1,465	13,954	9.5	8.8	10.3	3.7
20-30	10,671	15.7	25,425	3,826	21,599	15.1	9.9	10.9	6.6
30-40	7,735	11.4	35,891	6,851	29,040	19.1	10.2	10.6	8.5
40-50	5,553	8.2	45,995	9,499	36,497	20.7	9.4	9.6	8.5
50-75	7,272	10.7	63,504	14,846	48,658	23.4	16.9	16.8	17.4
75-100	3,284	4.8	88,066	22,662	65,404	25.7	10.6	10.2	12.0
100-200	2,691	4.0	141,053	37,302	103,751	26.5	13.9	13.2	16.2
200-500	713	1.1	305,853	89,700	216,153	29.3	8.0	7.3	10.3
500-1,000	127	0.2	711,109	225,757	485,353	31.8	3.3	2.9	4.6
More than 1,000	59	0.1	3,061,166	1,158,740	1,902,426	37.9	6.6	5.3	11.0
All	67,885	100.0	40,235	9,143	31,092	22.7	100.0	100.0	100.0

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

(1) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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 T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	55.7	0.0	4.7	0.2	-230	-105.2	0.0	0.0	-4.5	-0.2
10-20	68.3	0.0	3.8	0.9	-591	-103.2	-0.2	0.0	-3.7	-0.1
20-30	77.3	0.0	5.2	2.1	-1,243	-67.0	-0.3	0.2	-4.8	2.4
30-40	81.0	0.0	5.2	2.6	-1,667	-43.9	-0.3	0.7	-4.6	5.9
40-50	86.2	0.0	5.0	2.8	-1,985	-32.5	-0.3	1.2	-4.3	9.0
50-75	96.8	0.0	4.3	8.0	-2,363	-21.8	-0.4	5.7	-3.6	13.0
75-100	99.3	0.0	5.0	12.0	-3,592	-19.8	-0.4	9.7	-4.0	16.2
100-200	99.8	0.0	5.8	32.3	-6,436	-17.9	-0.5	29.4	-4.4	20.0
200-500	99.8	0.0	4.7	15.8	-10,400	-12.8	0.9	21.4	-3.4	23.4
500-1,000	99.2	0.0	4.4	6.3	-22,511	-11.4	0.6	9.6	-3.2	24.6
More than 1,000	99.8	0.0	6.5	16.9	-132,552	-13.2	0.9	22.1	-4.4	28.8
All	90.7	0.0	5.3	100.0	-4,791	-16.6	0.0	100.0	-4.0	20.2

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

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	2,449	4.0	5,116	219	4,897	4.3	0.2	0.2	0.0
10-20	4,497	7.4	15,991	572	15,419	3.6	1.0	1.3	0.2
20-30	4,946	8.1	25,701	1,855	23,846	7.2	1.8	2.2	0.5
30-40	4,536	7.5	36,079	3,799	32,280	10.5	2.3	2.7	1.0
40-50	4,122	6.8	46,154	6,117	40,037	13.3	2.6	3.0	1.4
50-75	9,835	16.2	65,250	10,832	54,417	16.6	8.9	9.7	6.1
75-100	9,746	16.0	89,706	18,156	71,550	20.2	12.1	12.7	10.1
100-200	14,627	24.1	147,097	35,879	111,218	24.4	29.7	29.6	29.9
200-500	4,410	7.3	304,210	81,478	222,732	26.8	18.5	17.9	20.5
500-1,000	809	1.3	709,451	196,847	512,604	27.8	7.9	7.6	9.1
More than 1,000	372	0.6	3,029,210	1,003,936	2,025,274	33.1	15.5	13.7	21.2
All	60,792	100.0	119,298	28,909	90,389	24.2	100.0	100.0	100.0

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

(1) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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) 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 T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	86.7	0.0	7.4	4.0	-566	89.8	-2.5	-4.0	-8.1	-17.1
10-20	90.1	0.0	6.6	13.2	-1,088	149.5	-7.4	-10.2	-6.9	-11.6
20-30	96.5	0.0	6.6	16.2	-1,611	-115.5	-5.5	-1.0	-6.3	-0.8
30-40	98.0	0.0	6.1	15.1	-1,886	-40.8	-1.6	10.1	-5.3	7.7
40-50	98.9	0.0	5.5	11.1	-2,104	-26.8	0.9	14.0	-4.6	12.5
50-75	99.4	0.0	5.3	17.2	-2,704	-21.4	3.9	29.4	-4.3	15.7
75-100	98.9	0.0	5.7	10.4	-3,838	-19.2	3.1	20.2	-4.4	18.5
100-200	99.8	0.0	4.6	7.2	-4,689	-14.0	4.2	20.5	-3.5	21.3
200-500	99.9	0.0	3.3	2.0	-7,389	-9.7	2.1	8.7	-2.5	22.8
500-1,000	99.8	0.0	3.9	0.9	-19,558	-10.8	0.8	3.6	-2.9	23.6
More than 1,000	99.9	0.0	6.5	2.7	-128,989	-12.5	1.9	8.6	-4.3	29.8
All	94.6	0.0	5.8	100.0	-1,864	-31.7	0.0	100.0	-4.9	10.6

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	Number (thousands)	Percent of Total							
Less than 10	3,209	13.3	7,001	-631	7,632	-9.0	2.4	3.1	-1.4
10-20	5,453	22.6	15,686	-728	16,414	-4.6	9.3	11.5	-2.8
20-30	4,542	18.8	25,741	1,395	24,346	5.4	12.7	14.2	4.5
30-40	3,597	14.9	35,667	4,625	31,042	13.0	13.9	14.3	11.7
40-50	2,366	9.8	45,900	7,862	38,038	17.1	11.8	11.6	13.1
50-75	2,870	11.9	63,378	12,658	50,721	20.0	19.8	18.7	25.5
75-100	1,217	5.0	87,475	19,994	67,481	22.9	11.6	10.5	17.1
100-200	687	2.8	135,798	33,622	102,176	24.8	10.1	9.0	16.2
200-500	123	0.5	300,524	75,840	224,684	25.2	4.0	3.6	6.6
500-1,000	21	0.1	685,388	181,158	504,229	26.4	1.6	1.4	2.7
More than 1,000	9	0.0	3,016,481	1,028,807	1,987,673	34.1	3.0	2.4	6.7
All	24,178	100.0	38,105	5,883	32,222	15.4	100.0	100.0	100.0

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

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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 T10-0263
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Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	87.2	0.0	8.0	1.1	-602	70.3	-0.4	-0.7	-9.1	-22.0
10-20	96.7	0.0	7.6	3.8	-1,288	104.2	-1.2	-1.9	-8.1	-16.0
20-30	98.8	0.0	8.3	5.4	-2,067	-217.5	-1.3	-0.8	-8.0	-4.3
30-40	99.3	0.0	7.7	5.5	-2,432	-56.3	-0.9	1.1	-6.8	5.3
40-50	99.7	0.0	7.1	4.9	-2,715	-36.3	-0.6	2.2	-5.9	10.4
50-75	99.8	0.0	6.0	10.2	-3,131	-25.4	-0.5	7.7	-4.8	14.2
75-100	99.9	0.0	6.3	12.5	-4,393	-23.0	-0.3	10.9	-4.9	16.5
100-200	100.0	0.0	6.5	28.2	-7,185	-19.5	0.4	30.1	-4.9	20.2
200-500	99.9	0.0	4.7	12.1	-10,400	-12.5	2.0	21.9	-3.4	24.0
500-1,000	99.9	0.0	4.7	4.6	-23,719	-11.4	1.0	9.3	-3.3	25.9
More than 1,000	99.8	0.0	6.9	11.6	-137,932	-13.0	1.7	20.0	-4.5	30.1
All	98.1	0.0	6.3	100.0	-4,345	-20.6	0.0	100.0	-4.8	18.6

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

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	3,794	7.8	6,628	-855	7,484	-12.9	0.6	0.8	-0.3
10-20	6,278	12.8	15,819	-1,237	17,055	-7.8	2.3	3.2	-0.8
20-30	5,588	11.4	25,746	951	24,795	3.7	3.3	4.1	0.5
30-40	4,830	9.9	35,823	4,318	31,506	12.1	3.9	4.5	2.0
40-50	3,828	7.8	46,009	7,481	38,529	16.3	4.0	4.4	2.8
50-75	6,908	14.1	64,751	12,313	52,438	19.0	10.2	10.8	8.3
75-100	6,054	12.4	89,238	19,125	70,113	21.4	12.3	12.6	11.2
100-200	8,326	17.0	147,060	36,810	110,250	25.0	27.8	27.2	29.7
200-500	2,467	5.0	302,929	82,937	219,992	27.4	17.0	16.1	19.8
500-1,000	414	0.9	710,730	208,114	502,617	29.3	6.7	6.2	8.4
More than 1,000	178	0.4	3,059,724	1,057,848	2,001,876	34.6	12.4	10.6	18.3
All	48,902	100.0	90,027	21,096	68,931	23.4	100.0	100.0	100.0

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) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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 T10-0263
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2011¹
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	17.4	0.0	0.6	0.1	-36	-19.6	0.0	0.1	-0.6	2.3
10-20	23.4	0.0	0.5	0.7	-73	-17.4	0.0	0.7	-0.5	2.2
20-30	46.9	0.0	1.1	1.8	-273	-22.0	-0.1	1.3	-1.1	3.8
30-40	64.1	0.0	1.8	2.4	-599	-24.5	-0.2	1.6	-1.7	5.2
40-50	71.3	0.0	1.5	1.8	-643	-19.1	0.0	1.6	-1.4	5.9
50-75	91.9	0.0	2.9	9.2	-1,604	-21.6	-0.4	7.0	-2.5	9.2
75-100	97.0	0.0	3.2	7.8	-2,401	-17.8	0.0	7.5	-2.7	12.6
100-200	98.6	0.0	4.8	22.8	-5,550	-18.2	-0.2	21.5	-3.8	17.2
200-500	99.4	0.0	6.5	21.0	-14,655	-18.0	-0.2	20.0	-4.8	21.8
500-1,000	97.5	0.0	6.1	9.6	-30,613	-15.6	0.2	10.9	-4.4	23.7
More than 1,000	99.5	0.0	7.7	22.8	-154,004	-14.6	0.9	27.9	-5.1	29.5
All	60.4	0.0	4.2	100.0	-2,442	-17.3	0.0	100.0	-3.4	16.2

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

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	2,517	8.5	6,523	185	6,337	2.8	0.8	0.9	0.1
10-20	6,648	22.4	15,555	420	15,135	2.7	4.8	5.8	0.7
20-30	4,645	15.7	25,366	1,241	24,125	4.9	5.5	6.5	1.4
30-40	2,950	9.9	35,802	2,446	33,356	6.8	4.9	5.7	1.7
40-50	2,048	6.9	46,215	3,368	42,847	7.3	4.4	5.1	1.7
50-75	4,139	14.0	63,784	7,438	56,346	11.7	12.3	13.5	7.4
75-100	2,346	7.9	88,241	13,508	74,733	15.3	9.7	10.2	7.6
100-200	2,972	10.0	145,722	30,538	115,183	21.0	20.2	19.9	21.7
200-500	1,036	3.5	305,380	81,293	224,088	26.6	14.8	13.5	20.1
500-1,000	228	0.8	697,797	196,040	501,757	28.1	7.4	6.6	10.7
More than 1,000	107	0.4	3,049,247	1,053,016	1,996,231	34.5	15.3	12.4	27.0
All	29,671	100.0	72,226	14,109	58,117	19.5	100.0	100.0	100.0

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) Baseline is current law. Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$72,450 for joint filers (\$47,450 for others) and allows personal non-refundable credits regardless of tentative AMT; and extends the following provisions: \$3,000 unindexed threshold for the refundable child tax credit; the \$5,000 (indexed for inflation after 2009) increase in the earned income tax credit plateau and the 45-percent credit rate for families with three or more qualifying children; the American Opportunity Tax Credit for education expenses; the above the line deduction for education expenses; the educator expense deduction; the additional standard deduction for real estate taxes; and the deduction for state and local general sales taxes. The proposal sets the effective exemption for the estate tax at \$5 million with a rate of 35 percent.

(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.