

Table T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	4.0	3.0	-228	-3.8	0.8
10-20	69.6	0.0	2.8	7.2	-417	-2.7	1.9
20-30	82.0	0.0	2.3	7.2	-524	-2.1	7.0
30-40	88.9	0.0	2.1	7.2	-663	-1.9	11.4
40-50	91.1	0.0	2.1	6.7	-810	-1.8	13.9
50-75	93.5	0.0	1.9	14.0	-1,027	-1.6	16.0
75-100	94.7	0.0	2.0	13.7	-1,415	-1.6	17.9
100-200	93.4	0.1	1.9	26.2	-2,162	-1.5	20.5
200-500	91.0	3.8	1.1	9.3	-2,627	-0.9	23.5
500-1,000	87.1	5.8	0.7	2.4	-3,765	-0.5	24.8
More than 1,000	87.4	5.3	0.4	2.8	-9,211	-0.3	29.3
All	84.1	0.2	1.7	100.0	-962	-1.4	19.2

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 4.7

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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 T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	4.0	3.0	-228	-83.1	-0.2	0.0	-3.8	0.8
10-20	69.6	0.0	2.8	7.2	-417	-58.1	-0.5	0.4	-2.7	1.9
20-30	82.0	0.0	2.3	7.2	-524	-22.7	-0.4	1.7	-2.1	7.0
30-40	88.9	0.0	2.1	7.2	-663	-13.9	-0.3	3.1	-1.9	11.4
40-50	91.1	0.0	2.1	6.7	-810	-11.2	-0.2	3.7	-1.8	13.9
50-75	93.5	0.0	1.9	14.0	-1,027	-9.1	-0.3	9.9	-1.6	16.0
75-100	94.7	0.0	2.0	13.7	-1,415	-8.2	-0.2	10.8	-1.6	17.9
100-200	93.4	0.1	1.9	26.2	-2,162	-6.8	-0.1	25.4	-1.5	20.5
200-500	91.0	3.8	1.1	9.3	-2,627	-3.6	0.6	17.7	-0.9	23.5
500-1,000	87.1	5.8	0.7	2.4	-3,765	-2.1	0.4	8.0	-0.5	24.8
More than 1,000	87.4	5.3	0.4	2.8	-9,211	-1.0	1.1	19.1	-0.3	29.3
All	84.1	0.2	1.7	100.0	-962	-6.6	0.0	100.0	-1.4	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	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	19,464	12.5	5,994	274	5,720	4.6	1.1	1.3	0.2
10-20	25,819	16.6	15,577	719	14,858	4.6	3.6	4.4	0.8
20-30	20,496	13.2	25,562	2,302	23,260	9.0	4.7	5.4	2.1
40-50	12,368	8.0	46,021	7,207	38,813	15.7	5.1	5.5	3.9
50-75	20,451	13.2	64,358	11,341	53,017	17.6	11.9	12.3	10.2
75-100	14,481	9.3	89,100	17,334	71,766	19.5	11.6	11.8	11.0
100-200	18,125	11.7	145,747	31,961	113,786	21.9	23.8	23.4	25.4
200-500	5,289	3.4	304,339	74,068	230,272	24.3	14.5	13.8	17.2
500-1,000	968	0.6	709,206	179,411	529,795	25.3	6.2	5.8	7.6
More than 1,000	449	0.3	3,093,967	915,367	2,178,600	29.6	12.5	11.1	18.0
All	155,368	100.0	71,397	14,677	56,720	20.6	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 4.7

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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 T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	69.3	0.0	2.9	5.3	-156	-31.3	-0.3	0.9	-2.6	5.8
10-20	62.5	0.0	1.7	9.1	-237	-17.7	-0.4	3.3	-1.5	7.2
20-30	78.9	0.0	1.7	10.0	-378	-10.9	-0.3	6.3	-1.5	12.2
30-40	90.3	0.0	2.0	11.2	-586	-9.2	-0.2	8.5	-1.6	16.1
40-50	92.8	0.0	2.0	10.1	-733	-8.2	-0.1	8.7	-1.6	17.9
50-75	92.3	0.0	2.0	18.0	-999	-7.2	0.0	17.8	-1.6	20.2
75-100	90.7	0.0	1.9	10.5	-1,285	-6.1	0.1	12.3	-1.5	22.3
100-200	82.5	0.5	1.4	10.4	-1,551	-4.7	0.4	16.3	-1.1	22.5
200-500	70.6	11.5	1.4	5.8	-3,287	-4.2	0.3	10.1	-1.1	24.3
500-1,000	69.2	9.6	2.2	3.6	-11,452	-5.8	0.1	4.5	-1.6	26.0
More than 1,000	65.9	12.8	2.0	5.8	-40,039	-3.9	0.4	11.1	-1.3	32.3
All	77.3	0.2	1.9	100.0	-594	-7.2	0.0	100.0	-1.5	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	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	13,619	20.1	5,915	499	5,417	8.4	3.0	3.4	1.2
10-20	15,555	22.9	15,418	1,339	14,080	8.7	8.8	10.1	3.7
20-30	10,671	15.7	25,425	3,482	21,943	13.7	9.9	10.8	6.6
40-50	5,553	8.2	45,995	8,982	37,013	19.5	9.4	9.5	8.8
50-75	7,272	10.7	63,504	13,810	49,694	21.8	16.9	16.7	17.8
75-100	3,284	4.8	88,066	20,919	67,147	23.8	10.6	10.2	12.2
100-200	2,691	4.0	141,053	33,349	107,704	23.6	13.9	13.4	15.9
200-500	713	1.1	305,853	77,632	228,221	25.4	8.0	7.5	9.8
500-1,000	127	0.2	711,109	195,984	515,126	27.6	3.3	3.0	4.4
More than 1,000	59	0.1	3,061,166	1,028,733	2,032,433	33.6	6.6	5.5	10.7
All	67,885	100.0	40,235	8,313	31,922	20.7	100.0	100.0	100.0

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

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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 T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	4.1	0.6	-204	-105.9	0.0	0.0	-4.0	-0.2
10-20	67.8	0.0	3.0	2.5	-463	-104.2	-0.1	0.0	-2.9	-0.1
20-30	74.9	0.0	2.4	3.4	-585	-48.9	-0.2	0.2	-2.3	2.4
30-40	79.1	0.0	2.1	3.7	-687	-24.4	-0.2	0.7	-1.9	5.9
40-50	84.1	0.0	2.1	4.2	-852	-17.1	-0.2	1.2	-1.9	9.0
50-75	93.1	0.0	1.8	11.5	-988	-10.4	-0.3	5.7	-1.5	13.0
75-100	95.6	0.0	2.0	16.5	-1,435	-9.0	-0.4	9.7	-1.6	16.2
100-200	95.3	0.0	2.0	39.7	-2,294	-7.2	-0.6	29.4	-1.6	20.0
200-500	94.3	2.4	1.1	13.3	-2,547	-3.5	0.4	21.4	-0.8	23.4
500-1,000	89.8	5.2	0.5	2.5	-2,629	-1.5	0.4	9.6	-0.4	24.6
More than 1,000	91.2	3.8	0.2	2.0	-4,479	-0.5	1.1	22.1	-0.2	28.8
All	87.3	0.3	1.5	100.0	-1,392	-5.5	0.0	100.0	-1.2	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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	2,449	4.0	5,116	192	4,923	3.8	0.2	0.2	0.0
10-20	4,497	7.4	15,991	444	15,547	2.8	1.0	1.2	0.1
20-30	4,946	8.1	25,701	1,196	24,505	4.7	1.8	2.1	0.4
40-50	4,122	6.8	46,154	4,984	41,170	10.8	2.6	3.0	1.3
50-75	9,835	16.2	65,250	9,457	55,793	14.5	8.9	9.6	6.0
75-100	9,746	16.0	89,706	15,999	73,707	17.8	12.1	12.6	10.1
100-200	14,627	24.1	147,097	31,736	115,360	21.6	29.7	29.6	29.9
200-500	4,410	7.3	304,210	73,626	230,585	24.2	18.5	17.8	20.9
500-1,000	809	1.3	709,451	176,964	532,487	24.9	7.9	7.6	9.2
More than 1,000	372	0.6	3,029,210	875,863	2,153,347	28.9	15.5	14.0	21.0
All	60,792	100.0	119,298	25,510	93,788	21.4	100.0	100.0	100.0

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

(1) Baseline is current policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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 T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	7.3	7.9	-560	87.9	-2.3	-4.0	-8.0	-17.1
10-20	90.0	0.0	5.4	21.7	-901	98.5	-6.0	-10.2	-5.8	-11.6
20-30	95.8	0.0	3.2	16.2	-806	-136.7	-3.3	-1.0	-3.1	-0.8
30-40	97.6	0.0	2.5	12.8	-804	-22.7	-0.5	10.1	-2.3	7.7
40-50	98.4	0.0	2.3	9.6	-916	-13.7	0.8	14.0	-2.0	12.5
50-75	97.4	0.0	2.4	15.7	-1,236	-11.0	2.6	29.4	-2.0	15.7
75-100	98.1	0.0	2.3	8.8	-1,633	-9.2	2.2	20.2	-1.9	18.5
100-200	97.4	0.3	1.8	5.7	-1,870	-6.1	2.8	20.5	-1.4	21.3
200-500	92.6	2.6	0.9	1.1	-2,078	-3.0	1.4	8.7	-0.7	22.8
500-1,000	89.4	5.4	0.4	0.2	-2,182	-1.3	0.6	3.6	-0.3	23.6
More than 1,000	81.1	7.3	0.4	0.3	-7,418	-0.8	1.6	8.6	-0.3	29.8
All	94.0	0.0	2.8	100.0	-937	-18.9	0.0	100.0	-2.5	10.6

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by Cash Income Level, 2011¹

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	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	3,209	13.3	7,001	-637	7,638	-9.1	2.4	3.1	-1.7
10-20	5,453	22.6	15,686	-915	16,601	-5.8	9.3	11.3	-4.2
20-30	4,542	18.8	25,741	590	25,151	2.3	12.7	14.3	2.2
40-50	2,366	9.8	45,900	6,674	39,226	14.5	11.8	11.6	13.2
50-75	2,870	11.9	63,378	11,189	52,189	17.7	19.8	18.7	26.8
75-100	1,217	5.0	87,475	17,789	69,686	20.3	11.6	10.6	18.1
100-200	687	2.8	135,798	30,803	104,995	22.7	10.1	9.0	17.7
200-500	123	0.5	300,524	70,530	229,994	23.5	4.0	3.5	7.3
500-1,000	21	0.1	685,388	163,782	521,605	23.9	1.6	1.4	2.9
More than 1,000	9	0.0	3,016,481	907,236	2,109,245	30.1	3.0	2.4	7.0
All	24,178	100.0	38,105	4,956	33,149	13.0	100.0	100.0	100.0

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

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Baseline: Current Policy
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	7.8	3.0	-583	66.7	-0.3	-0.7	-8.8	-22.0
10-20	96.7	0.0	6.1	8.9	-1,050	71.3	-0.9	-1.9	-6.6	-16.0
20-30	98.5	0.0	3.9	7.5	-995	816.0	-0.7	-0.8	-3.9	-4.3
30-40	99.1	0.0	3.0	6.5	-996	-34.6	-0.5	1.1	-2.8	5.3
40-50	99.6	0.0	2.8	5.8	-1,134	-19.2	-0.3	2.2	-2.5	10.4
50-75	99.3	0.0	2.4	12.1	-1,303	-12.4	-0.4	7.7	-2.0	14.2
75-100	99.5	0.0	2.4	14.0	-1,721	-10.5	-0.3	10.9	-1.9	16.5
100-200	99.6	0.0	2.4	30.1	-2,692	-8.3	0.0	30.1	-1.8	20.2
200-500	98.9	0.5	1.2	9.4	-2,818	-3.7	1.0	21.9	-0.9	24.0
500-1,000	98.0	1.1	0.6	1.6	-2,937	-1.6	0.6	9.3	-0.4	25.9
More than 1,000	95.9	1.7	0.2	0.9	-3,659	-0.4	1.6	20.0	-0.1	30.1
All	97.8	0.0	2.1	100.0	-1,521	-8.3	0.0	100.0	-1.7	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	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	3,794	7.8	6,628	-874	7,503	-13.2	0.6	0.8	-0.4
10-20	6,278	12.8	15,819	-1,474	17,293	-9.3	2.3	3.1	-1.0
20-30	5,588	11.4	25,746	-122	25,868	-0.5	3.3	4.1	-0.1
40-50	3,828	7.8	46,009	5,899	40,110	12.8	4.0	4.4	2.5
50-75	6,908	14.1	64,751	10,486	54,265	16.2	10.2	10.7	8.1
75-100	6,054	12.4	89,238	16,453	72,785	18.4	12.3	12.6	11.2
100-200	8,326	17.0	147,060	32,317	114,743	22.0	27.8	27.2	30.1
200-500	2,467	5.0	302,929	75,355	227,574	24.9	17.0	16.0	20.8
500-1,000	414	0.9	710,730	187,332	523,398	26.4	6.7	6.2	8.7
More than 1,000	178	0.4	3,059,724	923,575	2,136,149	30.2	12.4	10.8	18.4
All	48,902	100.0	90,027	18,271	71,756	20.3	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 policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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 T10-0265
Reported Tax Agreement between Administration and Congressional Republicans
Baseline: Current Policy
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	0.5	0.7	-33	-18.2	0.0	0.1	-0.5	2.3
10-20	19.2	0.0	0.2	1.9	-33	-8.8	0.0	0.7	-0.2	2.2
20-30	39.9	0.0	0.3	2.6	-66	-6.4	0.0	1.3	-0.3	3.8
30-40	54.5	0.0	0.3	2.3	-94	-4.8	0.0	1.6	-0.3	5.2
40-50	57.0	0.0	0.4	2.9	-167	-5.8	0.0	1.6	-0.4	5.9
50-75	73.8	0.0	0.5	10.2	-293	-4.8	-0.1	7.0	-0.5	9.2
75-100	73.7	0.0	0.5	7.8	-398	-3.5	0.0	7.5	-0.5	12.6
100-200	64.9	0.3	0.6	18.8	-752	-2.9	0.1	21.5	-0.5	17.2
200-500	62.9	15.1	1.0	19.6	-2,251	-3.3	0.0	20.0	-0.7	21.8
500-1,000	58.3	19.8	1.2	11.7	-6,103	-3.6	0.0	10.9	-0.9	23.7
More than 1,000	65.1	14.9	1.1	21.5	-23,848	-2.6	0.2	27.9	-0.8	29.5
All	46.9	0.8	0.7	100.0	-401	-3.3	0.0	100.0	-0.6	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	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	2,517	8.5	6,523	182	6,340	2.8	0.8	0.9	0.1
10-20	6,648	22.4	15,555	380	15,175	2.4	4.8	5.7	0.7
20-30	4,645	15.7	25,366	1,034	24,333	4.1	5.5	6.3	1.3
40-50	2,048	6.9	46,215	2,892	43,323	6.3	4.4	5.0	1.7
50-75	4,139	14.0	63,784	6,127	57,657	9.6	12.3	13.4	7.1
75-100	2,346	7.9	88,241	11,505	76,736	13.0	9.7	10.1	7.5
100-200	2,972	10.0	145,722	25,740	119,982	17.7	20.2	20.0	21.4
200-500	1,036	3.5	305,380	68,888	236,492	22.6	14.8	13.7	19.9
500-1,000	228	0.8	697,797	171,531	526,266	24.6	7.4	6.7	10.9
More than 1,000	107	0.4	3,049,247	922,859	2,126,388	30.3	15.3	12.8	27.7
All	29,671	100.0	72,226	12,068	60,157	16.7	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 policy, which extends the 2001 and 2003 individual income tax cuts, indexes the AMT exemption, tax bracket threshold, and exemption phase-out threshold for inflation, allows personal nonrefundable credits regardless of tentative AMT, and extends 2009 estate tax law (\$3.5 million exemption and 45 percent rate). Proposal reduces the OASDI tax rate on employees to 4.2%; sets the AMT exemption at \$72,450 for joint filers (\$47,450 for others); 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.