

Table T10-0276

Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 as Considered by the Senate

Baseline: 2010 Law Under the Act, Evaluated at 2011 Income Levels

Distribution of Federal Tax Change by Cash Income Level, 2011 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³ (thousands)	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Average Federal Tax Change (Dollars)
		With Tax Cut	With Tax Increase		
Less than 10	19,483	0.3	69.3	-2.3	140
10-20	25,829	0.6	66.7	-0.8	121
20-30	20,502	40.7	35.3	-0.2	36
30-40	16,325	56.6	26.1	0.3	-86
40-50	12,320	67.0	18.7	0.5	-198
50-75	20,494	71.0	15.6	0.7	-369
75-100	14,456	78.2	11.5	0.9	-679
100-200	18,064	83.3	6.6	1.1	-1,307
200-500	5,300	87.7	2.0	0.8	-1,897
500-1,000	966	84.1	2.3	0.0	45
More than 1,000	451	86.0	1.3	-0.6	14,157
All	155,368	46.9	32.9	0.5	-269

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 4.3

(1) Baseline is 2010 law as it would be under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, at 2011 income levels.

Proposal extends all 2001 and 2003 individual income tax cuts; reduces the OASDI tax rate on employees to 4.2%; increases AMT exemption to \$74,450 for joint filers (\$48,450 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; 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

(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.