

Table T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012 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	0.0	0.0	0.0	0.0	0	0.0	2.7
10-20	0.0	0.0	0.0	0.0	0	0.0	2.9
20-30	0.0	0.0	0.0	0.0	0	0.0	8.0
30-40	0.0	0.0	0.0	0.0	0	0.0	12.5
40-50	0.0	0.0	0.0	0.0	0	0.0	15.1
50-75	0.0	0.0	0.0	0.0	0	0.0	17.4
75-100	0.0	0.0	0.0	0.0	0	0.0	19.0
100-200	0.0	0.1	0.0	0.1	0	0.0	21.6
200-500	0.0	22.7	-0.1	11.9	274	0.1	24.3
500-1,000	0.0	78.2	-0.5	19.4	2,474	0.4	25.8
More than 1,000	0.1	87.3	-0.8	68.7	17,324	0.6	30.4
All	0.0	1.7	-0.1	100.0	84	0.1	20.6

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

Number of AMT Taxpayers (millions). Baseline: 4.7

Proposal: 4.5

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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 T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.7
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	2.9
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.8	0.0	8.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	12.5
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	3.8	0.0	15.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.4	0.0	17.4
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.0	0.0	19.0
100-200	0.0	0.1	0.0	0.1	0	0.0	-0.1	24.7	0.0	21.6
200-500	0.0	22.7	-0.1	11.9	274	0.4	0.0	17.2	0.1	24.3
500-1,000	0.0	78.2	-0.5	19.4	2,474	1.4	0.1	7.8	0.4	25.8
More than 1,000	0.1	87.3	-0.8	68.7	17,324	1.9	0.3	20.6	0.6	30.4
All	0.0	1.7	-0.1	100.0	84	0.6	0.0	100.0	0.1	20.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Post-Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	17,312	11.0	5,740	156	5,584	2.7	0.8	1.0	0.1
10-20	24,697	15.7	15,548	445	15,103	2.9	3.3	4.0	0.5
20-30	21,652	13.8	25,815	2,055	23,759	8.0	4.7	5.5	1.9
30-40	16,234	10.3	36,228	4,513	31,715	12.5	5.0	5.5	3.0
40-50	12,917	8.2	46,559	7,035	39,524	15.1	5.1	5.5	3.8
50-75	22,699	14.4	64,055	11,123	52,932	17.4	12.3	12.8	10.5
75-100	14,156	9.0	90,186	17,175	73,011	19.0	10.8	11.0	10.1
100-200	19,612	12.5	141,017	30,471	110,546	21.6	23.5	23.1	24.8
200-500	5,778	3.7	297,117	71,894	225,222	24.2	14.6	13.9	17.2
500-1,000	1,040	0.7	704,874	179,392	525,482	25.5	6.2	5.8	7.7
More than 1,000	527	0.3	3,114,806	928,350	2,186,455	29.8	13.9	12.3	20.3
All	157,348	100.0	74,905	15,319	59,587	20.5	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 4.7 Proposal: 4.1

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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 T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	6.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	7.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	6.3	0.0	13.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	7.8	0.0	17.1
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	8.7	0.0	19.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	19.1	0.0	21.4
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	11.5	0.0	23.6
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.2	0.0	24.0
200-500	0.0	32.3	-0.1	13.9	307	0.4	0.0	9.5	0.1	24.8
500-1,000	0.0	72.9	-0.5	18.7	2,374	1.3	0.0	4.2	0.3	27.0
More than 1,000	0.1	82.8	-0.8	67.5	15,581	1.7	0.2	11.7	0.5	32.2
All	0.0	0.6	-0.1	100.0	25	0.3	0.0	100.0	0.1	20.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	12,339	17.9	5,702	395	5,307	6.9	2.4	2.8	0.8
10-20	15,074	21.9	15,388	1,191	14,197	7.7	7.8	9.1	3.0
20-30	11,420	16.6	25,653	3,342	22,311	13.0	9.9	10.8	6.3
30-40	7,675	11.1	36,154	6,180	29,974	17.1	9.3	9.7	7.8
40-50	5,979	8.7	46,529	8,865	37,664	19.1	9.4	9.5	8.7
50-75	8,606	12.5	63,176	13,509	49,667	21.4	18.3	18.1	19.2
75-100	3,332	4.8	89,421	21,067	68,354	23.6	10.0	9.6	11.6
100-200	3,161	4.6	138,347	33,185	105,162	24.0	14.7	14.1	17.3
200-500	777	1.1	301,624	74,456	227,168	24.7	7.9	7.5	9.5
500-1,000	135	0.2	699,552	186,411	513,141	26.7	3.2	2.9	4.2
More than 1,000	75	0.1	2,969,061	941,583	2,027,479	31.7	7.5	6.4	11.6
All	68,932	100.0	43,096	8,802	34,294	20.4	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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 T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	2.0
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.9
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	3.5
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	6.9
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	9.9
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	5.7	0.0	14.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.9	0.0	17.2
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.2	28.2	0.0	21.1
200-500	0.0	20.6	-0.1	11.7	264	0.4	-0.1	21.0	0.1	24.2
500-1,000	0.1	79.0	-0.5	20.1	2,496	1.4	0.1	9.6	0.4	25.6
More than 1,000	0.0	88.2	-0.8	68.2	17,152	1.9	0.3	24.3	0.6	30.0
All	0.0	3.4	-0.2	100.0	177	0.7	0.0	100.0	0.1	21.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	2,234	3.6	4,855	97	4,758	2.0	0.1	0.2	0.0
10-20	4,170	6.8	16,049	140	15,909	0.9	0.9	1.1	0.0
20-30	4,955	8.1	25,947	894	25,053	3.5	1.7	2.1	0.3
30-40	4,507	7.4	36,385	2,504	33,881	6.9	2.2	2.6	0.7
40-50	4,093	6.7	46,670	4,609	42,061	9.9	2.5	2.9	1.2
50-75	10,218	16.7	65,116	9,136	55,979	14.0	8.7	9.6	5.7
75-100	9,299	15.2	90,700	15,637	75,063	17.2	11.1	11.7	8.9
100-200	15,488	25.2	142,026	29,890	112,136	21.1	28.9	29.0	28.4
200-500	4,807	7.8	296,329	71,428	224,901	24.1	18.7	18.1	21.1
500-1,000	872	1.4	705,965	178,366	527,598	25.3	8.1	7.7	9.6
More than 1,000	432	0.7	3,076,442	905,593	2,170,849	29.4	17.4	15.7	24.0
All	61,357	100.0	124,139	26,554	97,585	21.4	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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 T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.0	0.0	-14.4
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-6.5	0.0	-10.2
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	0.3
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	9.5	0.0	9.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	0.0	13.7
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	29.0	0.0	17.0
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	17.9	0.0	19.9
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	19.8	0.0	22.8
200-500	0.0	22.9	-0.1	13.6	231	0.3	0.0	8.2	0.1	23.9
500-1,000	0.0	78.1	-0.4	21.4	2,301	1.4	0.0	3.1	0.3	24.5
More than 1,000	0.0	88.5	-0.7	65.0	14,697	1.6	0.1	7.9	0.5	30.8
All	0.0	0.3	0.0	100.0	10	0.2	0.0	100.0	0.0	12.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

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	2,591	10.6	6,700	-963	7,663	-14.4	1.7	2.3	-2.0
10-20	5,154	21.0	15,615	-1,589	17,204	-10.2	8.1	10.1	-6.6
20-30	4,929	20.1	26,048	85	25,963	0.3	12.9	14.6	0.3
30-40	3,666	14.9	36,129	3,238	32,891	9.0	13.3	13.8	9.5
40-50	2,515	10.3	46,554	6,386	40,168	13.7	11.7	11.6	12.9
50-75	3,380	13.8	63,109	10,729	52,380	17.0	21.4	20.3	29.0
75-100	1,265	5.2	88,944	17,693	71,251	19.9	11.3	10.3	17.9
100-200	815	3.3	133,109	30,371	102,738	22.8	10.9	9.6	19.8
200-500	144	0.6	297,557	70,922	226,635	23.8	4.3	3.7	8.2
500-1,000	23	0.1	690,153	167,073	523,079	24.2	1.6	1.4	3.1
More than 1,000	11	0.0	2,968,549	898,868	2,069,681	30.3	3.2	2.6	7.8
All	24,547	100.0	40,709	5,089	35,620	12.5	100.0	100.0	100.0

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

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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.

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Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012 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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.4	0.0	-19.0
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.5	0.0	-14.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-3.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.3	0.0	6.6
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.3	0.0	11.7
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.1	0.0	15.4
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.1	0.0	17.9
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.2	28.7	0.0	21.1
200-500	0.0	21.5	-0.1	13.7	294	0.4	-0.1	21.1	0.1	24.8
500-1,000	0.0	87.1	-0.6	22.0	2,854	1.5	0.1	9.1	0.4	27.2
More than 1,000	0.0	93.3	-0.8	64.3	18,046	1.9	0.3	21.5	0.6	31.2
All	0.0	2.3	-0.2	100.0	116	0.6	0.0	100.0	0.1	20.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 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	3,083	6.3	6,320	-1,200	7,520	-19.0	0.4	0.6	-0.4
10-20	5,815	11.8	15,806	-2,312	18,118	-14.6	2.0	2.9	-1.5
20-30	5,901	12.0	26,013	-790	26,803	-3.0	3.3	4.3	-0.5
30-40	4,869	9.9	36,200	2,374	33,826	6.6	3.8	4.5	1.3
40-50	3,878	7.9	46,599	5,442	41,156	11.7	3.9	4.3	2.3
50-75	7,541	15.3	64,350	9,915	54,435	15.4	10.6	11.2	8.2
75-100	5,764	11.7	90,504	16,181	74,324	17.9	11.4	11.6	10.2
100-200	8,849	18.0	141,489	29,899	111,590	21.1	27.3	26.8	28.9
200-500	2,661	5.4	294,315	72,582	221,733	24.7	17.0	16.0	21.1
500-1,000	441	0.9	703,453	188,126	515,327	26.7	6.8	6.2	9.1
More than 1,000	204	0.4	3,108,044	951,847	2,156,197	30.6	13.8	12.0	21.2
All	49,155	100.0	93,484	18,610	74,874	19.9	100.0	100.0	100.0

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

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, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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 T11-0042
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2012 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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.6	0.0	2.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	4.3
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	5.9
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	6.5
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.2	0.0	10.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.2	0.0	13.0
100-200	0.0	0.1	0.0	0.0	0	0.0	-0.1	18.8	0.0	17.6
200-500	0.1	21.4	-0.1	7.5	203	0.3	-0.1	19.1	0.1	22.2
500-1,000	0.1	67.6	-0.3	14.0	1,737	1.0	0.0	10.7	0.2	24.5
More than 1,000	0.1	85.4	-0.8	78.5	18,075	2.0	0.4	31.4	0.6	30.5
All	0.0	1.7	-0.2	100.0	99	0.8	0.0	100.0	0.1	17.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 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	2,320	7.6	6,373	184	6,189	2.9	0.6	0.8	0.1
10-20	6,471	21.2	15,653	390	15,263	2.5	4.4	5.2	0.6
20-30	5,095	16.7	25,549	1,107	24,442	4.3	5.6	6.5	1.4
30-40	2,996	9.8	36,070	2,131	33,939	5.9	4.7	5.3	1.6
40-50	2,253	7.4	46,527	3,040	43,487	6.5	4.5	5.1	1.7
50-75	4,442	14.5	64,493	6,455	58,038	10.0	12.4	13.5	7.3
75-100	2,467	8.1	89,209	11,605	77,604	13.0	9.5	10.0	7.3
100-200	2,980	9.8	141,614	24,932	116,682	17.6	18.3	18.2	18.9
200-500	1,119	3.7	304,594	67,296	237,298	22.1	14.8	13.9	19.2
500-1,000	244	0.8	710,007	172,403	537,604	24.3	7.5	6.9	10.7
More than 1,000	132	0.4	3,095,739	927,188	2,168,551	30.0	17.7	14.9	31.1
All	30,543	100.0	75,561	12,877	62,683	17.0	100.0	100.0	100.0

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

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, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married).

(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.