

Table T11-0031
Administration's FY2012 Budget Proposals

Average Effective Marginal Individual Income Tax Rates by Cash Income Percentile, 2013¹

Cash Income Percentile ^{2,3}	Current Law	Current Policy ⁴	Budget Proposal ⁵
Lowest Quintile	4.4	0.7	0.5
Second Quintile	17.8	16.6	16.3
Third Quintile	20.6	18.9	18.8
Fourth Quintile	24.6	19.7	19.7
Top Quintile	32.4	29.2	31.2
All	26.6	23.5	24.4
Addendum			
80-90	27.7	25.8	25.7
90-95	30.2	27.5	27.3
95-99	35.1	32.6	35.5
Top 1 Percent	39.6	32.0	39.3
Top 0.1 Percent	40.2	34.2	39.9

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

(1) Calendar year. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax. Values are averages, weighted by the dollar value of wages and salaries.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals.

Excludes tax units with zero earnings. 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% 19,829, 40% 38,180, 60% 66,963, 80% 114,669, 90% 167,030, 95% 236,580, 99% 643,739, 99.9% 2,961,299.

(4) Current policy 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.

(5) Proposal contains all the individual income tax provisions in the Administration's FY2012 Budget Proposal.