

Table T11-0035
Tax Units with a Change in Effective Marginal Individual Income Tax Rates (EMTR)
Administration's FY2012 Budget Proposals
Individual Income Tax Provisions
Baseline: Current Policy
Distribution by Cash Income Percentile, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units (thousands) ⁴	Percent of Tax Units With ⁵			
		No Earnings	Increase in EMTR	No Change in EMTR	Decrease in EMTR
Lowest Quintile	40,401	32.5	1.9	60.0	5.6
Second Quintile	35,545	24.2	2.1	58.9	14.8
Third Quintile	32,339	14.9	2.7	67.1	15.2
Fourth Quintile	27,031	11.5	3.8	72.1	12.6
Top Quintile	23,705	10.0	11.2	69.2	9.5
All	159,683	20.6	3.9	64.1	11.4
Addendum					
80-90	11,940	9.5	3.7	77.1	9.8
90-95	5,860	10.0	3.1	76.6	10.4
95-99	4,707	10.7	25.8	54.2	9.3
Top 1 Percent	1,197	13.0	67.8	15.6	3.6
Top 0.1 Percent	122	13.2	76.3	8.9	1.6

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

(1) Calendar year. Baseline is current policy. 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. The proposal contains all the individual income tax provisions in the Administration's FY2012 Budget Proposal. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax.

(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) 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) Tax units with no earnings (defined as wages and salaries plus self-employment income) are not included in the higher, lower, and same columns.