

Table T11-0187
Distribution of Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	21,065	12.7	20,985	29.0	99.6
10-20	27,359	16.5	22,299	30.8	81.5
20-30	20,377	12.3	12,580	17.4	61.7
30-40	16,959	10.2	6,893	9.5	40.6
40-50	13,305	8.0	3,925	5.4	29.5
50-75	22,765	13.7	3,122	4.3	13.7
75-100	14,636	8.8	716	1.0	4.9
100-200	20,881	12.6	427	0.6	2.0
200-500	6,084	3.7	79	0.1	1.3
500-1,000	1,051	0.6	14	0.0	1.3
More than 1,000	534	0.3	8	0.0	1.5
All	166,272	100.0	72,283	100.0	43.5

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	-4,065	-1,372	0	0	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less.

(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.

Table T11-0187
Distribution of Single Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013 ¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	16,722	20.7	16,667	42.0	99.7
10-20	19,121	23.7	14,417	36.3	75.4
20-30	12,334	15.3	5,691	14.3	46.1
30-40	9,158	11.4	1,438	3.6	15.7
40-50	5,981	7.4	333	0.8	5.6
50-75	8,668	10.8	298	0.7	3.4
75-100	3,570	4.4	79	0.2	2.2
100-200	3,358	4.2	88	0.2	2.6
200-500	794	1.0	15	0.0	1.9
500-1,000	131	0.2	2	0.0	1.2
More than 1,000	74	0.1	4	0.0	5.7
All	80,622	100.0	39,727	100.0	49.3

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
Liability (\$ 2011)	-464	0	0	0	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

a) adjust the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and file as single.

(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.

Table T11-0187
Distribution of Married Filing Jointly Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	1,291	2.2	1,281	8.5	99.3
10-20	2,559	4.4	2,514	16.6	98.2
20-30	2,875	5.0	2,442	16.1	84.9
30-40	3,624	6.3	2,688	17.8	74.2
40-50	4,468	7.7	2,611	17.2	58.4
50-75	10,281	17.8	2,262	14.9	22.0
75-100	9,429	16.3	557	3.7	5.9
100-200	16,457	28.5	314	2.1	1.9
200-500	5,091	8.8	61	0.4	1.2
500-1,000	885	1.5	10	0.1	1.2
More than 1,000	440	0.8	4	0.0	0.9
All	57,802	100.0	15,143	100.0	26.2

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	-5,890	-3,163	-455	0	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those married individuals with income tax liability of \$5 or less and file as a joint return.

(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.

Table T11-0187
Distribution of Head of Household Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	2,911	11.5	2,900	17.1	99.6
10-20	5,398	21.4	5,266	31.1	97.6
20-30	4,846	19.2	4,388	25.9	90.5
30-40	3,748	14.8	2,734	16.1	73.0
40-50	2,505	9.9	942	5.6	37.6
50-75	3,317	13.1	532	3.1	16.0
75-100	1,353	5.4	65	0.4	4.8
100-200	905	3.6	16	0.1	1.8
200-500	149	0.6	1	0.0	0.6
500-1,000	24	0.1	2	0.0	7.1
More than 1,000	11	0.0	0	0.0	0.4
All	25,256	100.0	16,935	100.0	67.1

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	-6,085	-4,065	-2,655	-628	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and file as head of household.

(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.

Table T11-0187
Distribution of Married Filing Separately Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	141	5.5	137	28.7	97.1
10-20	280	10.8	102	21.2	36.2
20-30	321	12.4	59	12.4	18.4
30-40	429	16.6	33	6.9	7.7
40-50	350	13.5	39	8.1	11.1
50-75	500	19.3	30	6.4	6.1
75-100	284	11.0	16	3.3	5.6
100-200	162	6.2	9	1.9	5.8
200-500	50	1.9	2	0.4	4.1
500-1,000	11	0.4	0	0.0	0.6
More than 1,000	10	0.4	0	0.0	1.3
All	2,592	100.0	479	100.0	18.5

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	-1,248	-231	0	0	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those married individuals with income tax liability of \$5 or less that file separately.

(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.

Table T11-0187
Distribution of Elderly Tax Units that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	3,030	8.2	3,030	15.2	100.0
10-20	8,603	23.2	8,525	42.7	99.1
20-30	4,956	13.4	4,393	22.0	88.6
30-40	3,838	10.4	1,725	8.6	44.9
40-50	2,823	7.6	1,210	6.1	42.9
50-75	5,216	14.1	766	3.8	14.7
75-100	3,053	8.2	136	0.7	4.5
100-200	3,858	10.4	109	0.5	2.8
200-500	1,285	3.5	22	0.1	1.7
500-1,000	239	0.6	6	0.0	2.5
More than 1,000	130	0.4	1	0.0	0.6
All	37,068	100.0	19,959	100.0	53.8

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	0	0	0	0	0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and at least the primary of secondary taxpayer is 65 years old.

(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.

Table T11-0187
Distribution of Tax Units with Children that Pay No Individual Income Tax
by Cash Income Level, Administration's FY2012 Budget, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Number of Tax Units (thousands) ³	Percentage of Total Tax Units	Number of Non Paying Tax Units (thousands)	Percentage of Total Non Paying Tax Units	Percentage of Non Paying Tax Units in Class
Less than 10	3,361	6.8	3,356	14.1	99.9
10-20	5,658	11.4	5,642	23.6	99.7
20-30	5,534	11.2	5,444	22.8	98.4
30-40	4,844	9.8	4,149	17.4	85.7
40-50	3,945	8.0	2,279	9.5	57.8
50-75	7,372	14.9	2,041	8.6	27.7
75-100	5,840	11.8	478	2.0	8.2
100-200	9,226	18.7	210	0.9	2.3
200-500	2,749	5.6	31	0.1	1.1
500-1,000	450	0.9	5	0.0	1.1
More than 1,000	206	0.4	1	0.0	0.5
All	49,418	100.0	23,867	100.0	48.3

Addendum**Distribution of Individual Income Tax Liability for those with Liability of \$5 or less**

Liability (\$ 2011)	Percentile of Income Tax Liability Distribution				
	10th	25th	50th	75th	90th
	-6,600	-4,693	-3,093	-1,269	-123

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Individual income tax provisions in the Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) reinstate the 39.6 percent bracket and set the threshold for the 36 percent bracket at \$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); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; and k) limit itemized deductions to 28% for taxpayers in the top two brackets. "Non-paying tax units" are those with individual income tax liability of \$5 or less and has at least one home or away dependent exemption.

(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.