

T11-0230

Tax Units with and without Income Tax Liability in 2011

Cash Income Level (thousands of 2011 dollars)	All Units	Units with Income Tax ¹ ("Taxable" units)		Units without Income Tax ² ("Nontaxable" units)		Units without Income Tax Due to:				
		Number (thousands)	Percent of All Tax Units (%)	Number (thousands)	Percent of All Tax Units (%)	Standard Income Tax Provisions ³		Addition of Tax Expenditure Provisions ⁴		
						Number (thousands)	Percent of Tax Units (%)	Number (thousands)	Percent of Tax Units (%)	
Lowest Quintile	43,661	2,879	6.6	40,782	93.4	31,958	78.4	8,825	21.6	
Second Quintile	36,819	14,565	39.6	22,254	60.4	4,956	22.3	17,299	77.7	
Middle Quintile	32,344	22,632	70.0	9,712	30.0	258	2.7	9,454	97.3	
Fourth Quintile	26,761	24,813	92.7	1,948	7.3	21	1.1	1,927	98.9	
Top Quintile	23,243	22,858	98.3	385	1.7	20	5.3	365	94.7	
All	163,869	87,762	53.6	76,107	46.4	38,237	50.2	37,870	49.8	
Addendum										
80-90	11,775	11,503	97.7	273	2.3	13	4.8	259	95.2	
90-95	5,676	5,630	99.2	46	0.8	1	1.2	45	98.8	
95-99	4,619	4,565	98.8	53	1.2	5 ⁺	8.9	49	91.1	
Top 1 Percent	1,173	1,160	98.9	13	1.1	2 ⁺	13.5	12	86.5	
Top 0.1 Percent	120	118	98.1	2	1.9	1 ⁺	39.9	1	60.1	

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

⁺ This figure is anomalous because "cash income" includes rollovers to IRAs, which places some units with otherwise much lower incomes in high income classes.

¹ All units for which regular income tax liability plus alternative minimum tax (AMT) liability less all credits (except the foreign tax credit) is at least \$5.

² All units for which regular income tax liability plus alternative minimum tax (AMT) liability less all credits (except the foreign tax credit) is less than \$5 (which includes negative amounts due to refundable credits).

³ Standard income tax provisions include the standard deduction, personal exemptions for taxpayers and dependents, the exclusion of the portion of retirement income (including Social Security benefits) that represent the return of previously-taxed contributions, and the deductibility of costs of earning income (including expenses that are only allowed as above-the-line or itemized deductions).

⁴ The tax expenditure provisions are described in the footnotes to Table 2.

NOTE: Units with negative incomes are not shown separately but are included in the line for All units. 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 2011 dollars): 20% \$16,812, 40% \$33,542, 60% \$59,486, 80% \$103,465, 90% \$163,173, 95% \$210,998, 99% \$532,613, 99.9% \$2,178,886.