

**Table T11-0366**  
**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013<sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut		With Tax Increase					Change (%)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
<b>Lowest Quintile</b>	5.7	-100	11.4	45	0.0	0.0	-1	0.0	1.8
<b>Second Quintile</b>	15.1	-224	23.0	74	0.1	-0.5	-17	-0.1	8.1
<b>Middle Quintile</b>	17.8	-331	34.3	122	0.0	-0.5	-19	0.0	15.2
<b>Fourth Quintile</b>	16.8	-381	49.7	232	-0.1	1.0	47	0.1	18.9
<b>Top Quintile</b>	11.2	-469	71.7	7,828	-2.7	99.8	5,420	2.0	27.8
<b>All</b>	12.8	-304	33.7	2,512	-1.4	100.0	786	1.1	21.8
<b>Addendum</b>									
<b>80-90</b>	8.0	-512	66.9	403	-0.2	2.0	216	0.2	21.6
<b>90-95</b>	15.3	-516	69.9	683	-0.2	1.6	354	0.2	23.1
<b>95-99</b>	16.6	-362	79.3	5,653	-1.6	15.3	4,166	1.2	26.2
<b>Top 1 Percent</b>	1.5	-446	97.7	90,587	-7.2	80.9	87,173	4.9	36.3
<b>Top 0.1 Percent</b>	0.3	-1,436	99.7	484,626	-9.4	45.5	478,590	6.1	41.2

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 5.1

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current policy. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

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

(5) 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.

(6) 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

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**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	5.7	11.4	0.0	0.0	-1	-0.3	0.0	0.3	0.0	1.8
Second Quintile	15.1	23.0	0.1	-0.5	-17	-0.7	-0.2	3.2	-0.1	8.1
Middle Quintile	17.8	34.3	0.0	-0.5	-19	-0.2	-0.5	9.6	0.0	15.2
Fourth Quintile	16.8	49.7	-0.1	1.0	47	0.3	-0.8	17.1	0.1	18.9
Top Quintile	11.2	71.7	-2.7	99.8	5,420	7.7	1.6	69.6	2.0	27.8
<b>All</b>	<b>12.8</b>	<b>33.7</b>	<b>-1.4</b>	<b>100.0</b>	<b>786</b>	<b>5.3</b>	<b>0.0</b>	<b>100.0</b>	<b>1.1</b>	<b>21.8</b>
<b>Addendum</b>										
80-90	8.0	66.9	-0.2	2.0	216	0.7	-0.6	13.6	0.2	21.6
90-95	15.3	69.9	-0.2	1.6	354	0.8	-0.4	10.1	0.2	23.1
95-99	16.6	79.3	-1.6	15.3	4,166	4.9	-0.1	16.2	1.2	26.2
Top 1 Percent	1.5	97.7	-7.2	80.9	87,173	15.7	2.7	29.7	4.9	36.3
Top 0.1 Percent	0.3	99.7	-9.4	45.5	478,590	17.3	1.6	15.4	6.1	41.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,362	26.1	10,122	3.7	186	0.3	9,936	4.5	1.8	
Second Quintile	37,681	22.7	27,586	8.6	2,257	3.4	25,330	10.0	8.2	
Middle Quintile	32,699	19.7	50,739	13.8	7,722	10.1	43,016	14.7	15.2	
Fourth Quintile	27,208	16.4	87,197	19.7	16,406	17.9	70,791	20.2	18.8	
Top Quintile	24,067	14.5	272,779	54.6	70,446	68.1	202,333	51.0	25.8	
<b>All</b>	<b>166,272</b>	<b>100.0</b>	<b>72,381</b>	<b>100.0</b>	<b>14,984</b>	<b>100.0</b>	<b>57,397</b>	<b>100.0</b>	<b>20.7</b>	
<b>Addendum</b>										
80-90	12,130	7.3	136,031	13.7	29,193	14.2	106,838	13.6	21.5	
90-95	5,919	3.6	193,370	9.5	44,299	10.5	149,071	9.2	22.9	
95-99	4,805	2.9	338,609	13.5	84,474	16.3	254,135	12.8	25.0	
Top 1 Percent	1,213	0.7	1,767,267	17.8	555,085	27.0	1,212,181	15.4	31.4	
Top 0.1 Percent	124	0.1	7,871,135	8.1	2,765,066	13.8	5,106,070	6.7	35.1	

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 5.1

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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) 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% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

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

(5) 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.

(6) 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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**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	5.0	9.9	0.0	0.0	2	-0.7	0.0	-0.3	0.0	-2.5
Second Quintile	16.1	18.3	0.1	-0.7	-28	-1.8	-0.2	2.0	-0.1	6.3
Middle Quintile	18.2	31.7	0.1	-0.5	-21	-0.4	-0.4	7.7	-0.1	13.6
Fourth Quintile	14.9	46.6	0.0	0.5	22	0.2	-0.8	16.3	0.0	18.4
Top Quintile	10.7	68.4	-2.5	100.5	4,286	7.3	1.4	74.2	1.9	27.5
All	12.8	33.7	-1.4	100.0	786	5.3	0.0	100.0	1.1	21.8
<b>Addendum</b>										
80-90	10.0	61.3	-0.1	1.6	132	0.5	-0.7	14.7	0.1	21.6
90-95	13.5	67.5	-0.3	1.8	313	0.8	-0.5	11.3	0.2	23.2
95-99	11.0	80.6	-1.4	14.2	3,052	4.3	-0.2	17.4	1.1	25.8
Top 1 Percent	1.0	97.8	-7.0	82.9	73,933	15.5	2.7	30.8	4.8	35.9
Top 0.1 Percent	0.3	99.6	-9.4	47.6	420,188	17.3	1.7	16.1	6.1	41.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	36,065	21.7	9,430	2.8	-237	-0.3	9,667	3.7	-2.5	
Second Quintile	34,713	20.9	24,668	7.1	1,572	2.2	23,095	8.4	6.4	
Middle Quintile	33,034	19.9	44,764	12.3	6,118	8.1	38,646	13.4	13.7	
Fourth Quintile	30,538	18.4	76,122	19.3	13,946	17.1	62,176	19.9	18.3	
Top Quintile	30,666	18.4	230,715	58.8	59,132	72.8	171,582	55.1	25.6	
All	166,272	100.0	72,381	100.0	14,984	100.0	57,397	100.0	20.7	
<b>Addendum</b>										
80-90	15,414	9.3	115,967	14.9	24,950	15.4	91,017	14.7	21.5	
90-95	7,701	4.6	165,716	10.6	38,098	11.8	127,618	10.3	23.0	
95-99	6,085	3.7	289,779	14.7	71,727	17.5	218,051	13.9	24.8	
Top 1 Percent	1,466	0.9	1,533,122	18.7	476,631	28.1	1,056,490	16.2	31.1	
Top 0.1 Percent	148	0.1	6,917,786	8.5	2,427,127	14.4	4,490,659	7.0	35.1	

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 5.1

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

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

(5) 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.

(6) 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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**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	5.5	9.2	0.0	0.0	0	0.0	-0.1	1.2	0.0	4.3
Second Quintile	10.8	21.2	0.1	-0.7	-9	-0.6	-0.2	4.6	-0.1	8.0
Middle Quintile	13.0	31.3	0.0	0.0	0	0.0	-0.5	11.9	0.0	14.5
Fourth Quintile	10.8	41.4	0.0	0.7	16	0.1	-0.8	19.9	0.0	20.1
Top Quintile	7.6	62.6	-2.4	99.7	2,674	6.8	1.6	62.3	1.8	28.0
All	9.2	27.6	-1.0	100.0	319	4.1	0.0	100.0	0.8	20.6
<b>Addendum</b>										
80-90	8.4	54.2	-0.2	2.8	140	0.7	-0.5	15.2	0.2	23.2
90-95	6.9	64.6	-0.4	3.2	347	1.2	-0.3	10.5	0.3	24.7
95-99	7.8	76.8	-1.2	12.7	1,832	3.7	-0.1	14.3	0.9	25.5
Top 1 Percent	0.7	97.5	-8.2	81.0	57,187	16.9	2.4	22.3	5.5	38.3
Top 0.1 Percent	0.2	99.8	-11.6	46.1	355,633	18.7	1.4	11.6	7.2	45.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	23,198	28.8	7,467	5.5	324	1.2	7,144	6.6	4.3	
Second Quintile	19,587	24.3	19,069	11.9	1,529	4.8	17,539	13.6	8.0	
Middle Quintile	15,802	19.6	33,699	16.9	4,897	12.4	28,801	18.0	14.5	
Fourth Quintile	11,719	14.5	54,610	20.3	10,981	20.7	43,629	20.3	20.1	
Top Quintile	9,604	11.9	150,063	45.8	39,366	60.7	110,697	42.1	26.2	
All	80,622	100.0	39,043	100.0	7,723	100.0	31,320	100.0	19.8	
<b>Addendum</b>										
80-90	5,116	6.4	83,160	13.5	19,149	15.7	64,011	13.0	23.0	
90-95	2,332	2.9	118,552	8.8	28,905	10.8	89,647	8.3	24.4	
95-99	1,790	2.2	202,277	11.5	49,811	14.3	152,467	10.8	24.6	
Top 1 Percent	365	0.5	1,033,246	12.0	338,423	19.8	694,823	10.0	32.8	
Top 0.1 Percent	33	0.0	4,968,941	5.3	1,901,322	10.2	3,067,618	4.1	38.3	

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

\* Less than 0.05

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(6) 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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**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	4.3	16.6	-0.1	0.0	9	-1.2	0.0	-0.2	0.1	-5.8
Second Quintile	19.1	22.7	0.1	-0.2	-29	-1.4	-0.1	0.8	-0.1	6.0
Middle Quintile	20.3	38.7	0.0	-0.2	-18	-0.3	-0.3	4.7	0.0	12.5
Fourth Quintile	16.6	53.4	-0.1	0.6	42	0.3	-0.8	14.0	0.0	17.4
Top Quintile	11.5	73.2	-2.5	99.6	5,141	7.4	1.1	80.5	1.9	27.3
All	14.9	50.7	-1.7	100.0	1,724	5.9	0.0	100.0	1.3	23.3
<b>Addendum</b>										
80-90	10.4	67.6	-0.1	1.3	142	0.5	-0.8	14.6	0.1	21.0
90-95	15.8	70.2	-0.2	1.5	305	0.7	-0.6	12.1	0.2	22.7
95-99	11.5	83.3	-1.5	14.7	3,640	4.4	-0.3	19.3	1.1	25.9
Top 1 Percent	1.1	97.9	-6.7	82.0	78,448	15.2	2.8	34.6	4.7	35.3
Top 0.1 Percent	0.3	99.6	-8.9	46.3	434,934	17.0	1.7	17.7	5.9	40.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	4,398	7.6	14,027	0.8	-823	-0.2	14,850	1.1	-5.9	
Second Quintile	6,664	11.5	35,110	3.1	2,149	0.9	32,960	3.7	6.1	
Middle Quintile	11,624	20.1	58,324	8.8	7,315	5.0	51,008	9.9	12.5	
Fourth Quintile	15,415	26.7	93,246	18.7	16,189	14.8	77,057	19.9	17.4	
Top Quintile	19,298	33.4	274,004	68.9	69,606	79.4	204,398	65.9	25.4	
All	57,802	100.0	132,789	100.0	29,259	100.0	103,531	100.0	22.0	
<b>Addendum</b>										
80-90	9,190	15.9	135,542	16.2	28,296	15.4	107,246	16.5	20.9	
90-95	5,048	8.7	188,768	12.4	42,590	12.7	146,178	12.3	22.6	
95-99	4,018	7.0	331,401	17.4	82,170	19.5	249,231	16.7	24.8	
Top 1 Percent	1,042	1.8	1,686,659	22.9	516,337	31.8	1,170,322	20.4	30.6	
Top 0.1 Percent	106	0.2	7,429,691	10.3	2,554,003	16.0	4,875,688	8.6	34.4	

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

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

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

(5) 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.

(6) 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 T11-0366**  
**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	4.0	8.1	0.0	1.2	2	-0.1	0.1	-10.0	0.0	-12.3
Second Quintile	26.5	7.8	0.3	-46.4	-73	-6.6	-0.5	6.6	-0.3	3.5
Middle Quintile	30.8	18.2	0.2	-38.4	-100	-1.4	-0.7	26.8	-0.2	14.2
Fourth Quintile	23.8	33.7	0.1	-13.6	-62	-0.4	-0.5	31.1	-0.1	18.9
Top Quintile	20.2	46.6	-1.5	196.6	1,969	4.5	1.5	45.4	1.1	26.1
All	19.3	14.7	-0.1	100.0	50	1.0	0.0	100.0	0.1	12.6
<b>Addendum</b>										
80-90	16.7	42.8	0.0	0.1	2	0.0	-0.2	16.3	0.0	22.8
90-95	28.8	44.0	-0.1	2.3	125	0.4	0.0	6.6	0.1	23.6
95-99	28.6	56.7	-1.0	28.5	1,938	3.1	0.2	9.5	0.7	24.5
Top 1 Percent	0.5	98.1	-6.7	165.8	62,738	14.6	1.5	13.0	4.6	36.3
Top 0.1 Percent	0.4	99.4	-9.3	90.8	386,996	16.8	0.9	6.3	6.0	41.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	8,232	32.6	12,526	10.2	-1,538	-10.1	14,065	13.1	-12.3
Second Quintile	8,034	31.8	29,745	23.7	1,110	7.1	28,635	26.0	3.7
Middle Quintile	4,869	19.3	49,199	23.7	7,075	27.4	42,124	23.2	14.4
Fourth Quintile	2,769	11.0	75,439	20.7	14,327	31.6	61,112	19.1	19.0
Top Quintile	1,263	5.0	175,207	21.9	43,685	43.9	131,521	18.8	24.9
All	25,256	100.0	39,986	100.0	4,975	100.0	35,011	100.0	12.4
<b>Addendum</b>									
80-90	814	3.2	111,657	9.0	25,425	16.5	86,232	7.9	22.8
90-95	230	0.9	154,037	3.5	36,163	6.6	117,874	3.1	23.5
95-99	186	0.7	266,330	4.9	63,267	9.4	203,063	4.3	23.8
Top 1 Percent	33	0.1	1,361,869	4.5	431,246	11.5	930,622	3.5	31.7
Top 0.1 Percent	3	0.0	6,471,563	1.9	2,299,303	5.4	4,172,260	1.4	35.5

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

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

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

(5) 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.

(6) 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 T11-0366**  
**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.9	8.5	0.0	0.1	4	-0.2	0.1	-2.2	0.0	-15.8
Second Quintile	27.1	10.5	0.2	-1.6	-69	-5.8	-0.1	1.2	-0.2	3.3
Middle Quintile	30.9	23.9	0.2	-1.8	-83	-0.9	-0.5	9.0	-0.1	14.5
Fourth Quintile	23.5	42.9	0.0	-0.1	-5	0.0	-1.0	19.4	0.0	18.9
Top Quintile	17.3	66.4	-2.7	103.2	5,846	7.4	1.6	72.4	2.0	28.5
All	20.6	28.9	-1.3	100.0	957	5.1	0.0	100.0	1.0	21.3
<b>Addendum</b>										
80-90	12.5	62.8	-0.1	1.1	115	0.3	-0.7	15.5	0.1	22.4
90-95	34.4	54.1	-0.2	1.1	265	0.5	-0.5	10.7	0.1	23.8
95-99	13.1	84.0	-2.1	20.1	5,982	5.8	0.1	17.6	1.5	27.7
Top 1 Percent	0.8	97.9	-7.5	80.9	100,114	15.8	2.7	28.6	5.1	37.3
Top 0.1 Percent	0.1	99.9	-9.4	41.3	555,897	17.1	1.4	13.6	6.1	41.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	10,088	20.4	13,356	2.9	-2,114	-2.3	15,469	4.3	-15.8
Second Quintile	10,789	21.8	33,957	8.0	1,196	1.4	32,761	9.7	3.5
Middle Quintile	10,009	20.3	60,740	13.2	8,903	9.5	51,837	14.2	14.7
Fourth Quintile	9,950	20.1	101,182	21.9	19,148	20.4	82,034	22.3	18.9
Top Quintile	8,349	16.9	298,935	54.3	79,223	70.8	219,712	50.1	26.5
All	49,418	100.0	93,026	100.0	18,899	100.0	74,127	100.0	20.3
<b>Addendum</b>									
80-90	4,396	8.9	154,877	14.8	34,568	16.3	120,310	14.4	22.3
90-95	1,981	4.0	221,864	9.6	52,480	11.1	169,384	9.2	23.7
95-99	1,589	3.2	392,402	13.6	102,860	17.5	289,541	12.6	26.2
Top 1 Percent	382	0.8	1,966,324	16.4	633,047	25.9	1,333,277	13.9	32.2
Top 0.1 Percent	35	0.1	9,174,185	7.0	3,251,728	12.2	5,922,458	5.7	35.4

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

\* Less than 0.05

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. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

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

(5) 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.

(6) 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 T11-0366**  
**President Obama's Proposals for the Joint Committee**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	12.4	0.0	0.0	3	4.0	0.0	0.1	0.0	0.7
Second Quintile	0.7	33.9	-0.1	0.3	14	4.4	0.0	0.6	0.1	1.6
Middle Quintile	4.5	60.2	-0.1	1.1	51	2.6	-0.2	3.5	0.1	5.1
Fourth Quintile	5.9	76.4	-0.2	2.1	130	1.7	-0.7	10.2	0.2	11.2
Top Quintile	5.1	87.1	-3.2	96.4	5,593	10.1	1.0	85.5	2.4	26.1
All	3.2	53.6	-1.8	100.0	1,082	8.9	0.0	100.0	1.5	18.6
<b>Addendum</b>										
80-90	5.6	83.3	-0.4	3.1	386	2.3	-0.7	11.0	0.4	16.0
90-95	5.2	87.1	-0.6	3.3	750	2.6	-0.6	10.5	0.5	19.2
95-99	5.1	92.1	-1.5	12.2	3,133	5.3	-0.7	19.6	1.2	23.2
Top 1 Percent	0.8	97.7	-7.7	77.9	73,095	16.7	3.0	44.5	5.3	36.9
Top 0.1 Percent	0.8	99.1	-10.4	45.3	414,690	18.3	1.9	24.0	6.6	42.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	5,988	16.2	9,531	2.2	66	0.1	9,464	2.6	0.7
Second Quintile	9,396	25.4	20,198	7.2	316	0.7	19,882	8.6	1.6
Middle Quintile	8,334	22.5	40,053	12.7	1,981	3.7	38,072	14.5	5.0
Fourth Quintile	6,402	17.3	69,759	17.0	7,707	11.0	62,051	18.2	11.1
Top Quintile	6,913	18.7	232,751	61.1	55,130	84.6	177,621	56.2	23.7
All	37,068	100.0	71,055	100.0	12,158	100.0	58,897	100.0	17.1
<b>Addendum</b>									
80-90	3,175	8.6	105,683	12.7	16,542	11.7	89,141	13.0	15.7
90-95	1,753	4.7	152,604	10.2	28,583	11.1	124,021	10.0	18.7
95-99	1,557	4.2	266,474	15.8	58,752	20.3	207,722	14.8	22.1
Top 1 Percent	427	1.2	1,382,440	22.4	437,430	41.5	945,010	18.5	31.6
Top 0.1 Percent	44	0.1	6,274,992	10.4	2,272,821	22.1	4,002,171	8.0	36.2

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

\* Less than 0.05

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. Proposal: repeals certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstates 2009 estate tax rate and exemption, unindexed; limits the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; taxes carried interest in investment partnerships as ordinary income; closes loopholes for corporate jet depreciation; repeals oil and gas subsidies; broadens business tax base; and makes certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

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

(5) 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.

(6) 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.