Table T11-0367
Average Pretax and After-tax Incomes under Alternative Tax Policies
by Cash Income Percentile, 2013[1]

Cash Income Percentile[2,3]	Pretax Income	After-tax Income[4]				
		Pre-EGTRRA Law[5]	2008 Tax Law[6]	2011 Tax Law, No Health[7]	President's Proposal No Health[8]	President's Proposal w/Health[9]
Lowest Quintile	10,122	9,739	9,775	9,937	9,937	9,937
Second Quintile	27,586	24,618	25,142	25,332	25,349	25,346
Middle Quintile	50,739	41,941	42,920	43,027	43,047	43,037
Fourth Quintile	87,197	68,668	70,743	70,813	70,778	70,760
Top Quintile	272,779	195,583	204,011	204,257	199,347	198,147
All	72,381	55,647	57,528	57,680	56,971	56,797
Addendum						
80-90	136,031	102,717	106,771	106,907	106,730	106,703
90-95	193,370	143,635	149,069	149,204	148,876	148,856
95-99	338,609	246,372	255,379	255,480	251,857	251,045
Top 1 Percent	1,767,267	1,177,000	1,240,975	1,243,803	1,163,922	1,143,598
Top 0.1 Percent	7,871,135	4,966,686	5,291,764	5,304,358	4,867,510	4,747,869

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).
(1) Federal taxes include individual and corporate income taxes and payroll taxes that finance Social Security and Medicare. Estimates omit the estate tax, excise taxes, tariffs, and all other sources of federal revenue. Calendar year.
(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) Average federal tax (includes individual and corporate income tax, and payroll taxes for Social Security and Medicare) as a percentage of average cash income.
(5) Pre-EGTRRA Tax Law assumes tax law in place before passage of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). Parameters indexed under that law were inflated to 2013 values. No provisions enacted since 2001 are included.
(6) 2008 Tax Law assumes tax law in place in 2008 but omits stimulus payments. Parameters indexed under that law were inflated to 2013 values. No provisions enacted since 2008 are included.
(7) 2011 Tax Law assumes tax law in place in 2011 but omits the tax provisions of the Affordable Care Act of 2010 scheduled to take effect in 2013. For a description of 2011 tax law, referred to as TPC’s current policy baseline, see:
http://www.taxpolicycenter.org/T11-0270
(8) President’s Proposal, No Health, includes all tax provisions in the President’s Proposal (described in footnote 9) but omits the tax provisions of the Affordable Care Act of 2010 scheduled to take effect in 2013. In particular, this simulation excludes the 0.9% HI surtax on earnings and the 3.8% HI surtax on investment income and leaves the floor for medical expense deductions at 7.5% of AGI for all taxpayers (rather than raising it to 10%).

(9) President’s Proposal (with health) would modify tax law scheduled to be in effect in 2013 by making permanent the 2001-03 tax cuts but repealing most provisions of those tax cuts for high-income tax units (as proposed in Administration's FY2012 budget); reinstating the estate tax as it was in 2009; limiting the value of all itemized deductions and selected tax expenditures to 28 percent for high-income tax units; taxing carried interest in investment partnerships as ordinary income; closing loopholes for corporate jet depreciation; repealing oil and gas subsidies; broadening the business tax base; and making certain changes to international taxation. Unlike all other simulations shown in the table, this simulation includes the tax increases scheduled to start in 2013 under the Affordable Care Act of 2010. 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.