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Table T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile ²
Summary Table

Cash Income Percentile ^{3,4}	Tax Units with Tax Increase or Cut ⁵				Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁷	
	With Tax Cut		With Tax Increase					Change (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	2.8	-698	90.4	1,857	-17.0	-34.1	1,659	16.4	20.2
Second Quintile	6.1	-1,271	93.7	3,490	-13.0	-56.9	3,189	11.6	22.3
Middle Quintile	15.9	-1,978	84.1	4,203	-7.7	-50.1	3,238	6.4	23.8
Fourth Quintile	32.6	-4,253	67.4	5,082	-3.0	-26.7	2,071	2.4	23.7
Top Quintile	70.9	-36,328	29.1	5,856	12.2	267.9	-23,522	-8.6	20.5
All	21.0	-19,275	77.0	3,499	2.3	100.0	-1,271	-1.8	21.9
Addendum									
80-90	58.7	-6,821	41.3	4,941	1.8	10.7	-1,871	-1.4	23.3
90-95	77.4	-11,097	22.6	5,808	5.0	19.9	-7,104	-3.7	22.2
95-99	87.9	-32,806	12.1	9,470	11.0	60.8	-26,737	-7.9	20.0
Top 1 Percent	94.2	-334,252	5.8	42,265	26.9	176.5	-307,473	-17.4	17.9
Top 0.1 Percent	97.8	-1,751,573	2.2	264,054	35.4	99.5	-1,689,562	-21.5	17.9

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 0.0

* Less than 0.05

** Insufficient data

(1) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

(2) Baseline is 2013 current law. Proposal replaces the individual income tax, corporate income tax, payroll tax and estate tax with presidential candidate Herman Cain's 9-9-9 Plan. The fully phased in proposal is evaluated at 2013 income levels and all amounts are expressed in 2013 dollars. For a detailed description of TPC's interpretation of the 9-9-9 Plan, see www.taxpolicycenter.org/taxtopics/Cain-9-9-9-plan.cfm. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(3) 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>

(4) 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.

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

(6) 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.

(7) 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 T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile ²
Detail Table

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.8	90.4	-17.0	-34.1	1,659	436.8	2.8	3.4	16.4	20.2
Second Quintile	6.1	93.7	-13.0	-56.9	3,189	107.5	4.9	8.8	11.6	22.3
Middle Quintile	15.9	84.1	-7.7	-50.1	3,238	36.7	4.8	15.0	6.4	23.8
Fourth Quintile	32.6	67.4	-3.0	-26.7	2,071	11.1	3.6	21.4	2.4	23.7
Top Quintile	70.9	29.1	12.2	267.9	-23,522	-29.6	-16.1	51.2	-8.6	20.5
All	21.0	77.0	2.3	100.0	-1,271	-7.4	0.0	100.0	-1.8	21.9
Addendum										
80-90	58.7	41.3	1.8	10.7	-1,871	-5.6	0.3	14.6	-1.4	23.3
90-95	77.4	22.6	5.0	19.9	-7,104	-14.2	-0.8	9.7	-3.7	22.2
95-99	87.9	12.1	11.0	60.8	-26,737	-28.3	-3.6	12.4	-7.9	20.0
Top 1 Percent	94.2	5.8	26.9	176.5	-307,473	-49.3	-12.0	14.6	-17.4	17.9
Top 0.1 Percent	97.8	2.2	35.4	99.5	-1,689,562	-54.5	-6.9	6.7	-21.5	17.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷	
	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	380	0.6	9,742	4.6	3.8	
Second Quintile	37,681	22.7	27,586	8.6	2,966	3.9	24,621	10.1	10.8	
Middle Quintile	32,699	19.7	50,739	13.8	8,815	10.1	41,924	14.9	17.4	
Fourth Quintile	27,208	16.4	87,197	19.7	18,634	17.8	68,563	20.3	21.4	
Top Quintile	24,067	14.5	272,779	54.6	79,526	67.4	193,254	50.6	29.2	
All	166,272	100.0	72,381	100.0	17,091	100.0	55,290	100.0	23.6	
Addendum										
80-90	12,130	7.3	136,031	13.7	33,513	14.3	102,517	13.5	24.6	
90-95	5,919	3.6	193,370	9.5	50,000	10.4	143,370	9.2	25.9	
95-99	4,805	2.9	338,609	13.5	94,594	16.0	244,015	12.8	27.9	
Top 1 Percent	1,213	0.7	1,767,267	17.8	624,137	26.6	1,143,130	15.1	35.3	
Top 0.1 Percent	124	0.1	7,871,135	8.1	3,098,549	13.6	4,772,586	6.5	39.4	

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 0.0

* Less than 0.05

(1) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

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(7) 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 T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.8	89.2	-21.6	-34.3	2,012	1,915.3	2.8	2.9	21.3	22.5
Second Quintile	2.2	97.5	-14.4	-52.8	3,215	139.3	4.5	7.3	13.0	22.4
Middle Quintile	9.5	90.3	-9.0	-53.2	3,406	47.9	4.9	13.2	7.6	23.5
Fourth Quintile	25.7	74.3	-4.1	-35.8	2,474	15.6	4.2	21.3	3.3	24.1
Top Quintile	71.4	28.6	11.6	276.4	-19,045	-28.7	-16.5	55.2	-8.3	20.5
All	21.0	77.0	2.3	100.0	-1,271	-7.4	0.0	100.0	-1.8	21.9
Addendum										
80-90	60.3	39.7	1.2	7.5	-1,022	-3.6	0.6	15.8	-0.9	23.3
90-95	77.4	22.6	4.9	22.2	-6,085	-14.3	-0.9	10.7	-3.7	22.1
95-99	86.6	13.4	10.2	61.8	-21,462	-26.8	-3.6	13.5	-7.4	20.2
Top 1 Percent	92.7	7.3	26.8	185.0	-266,527	-49.6	-12.6	15.1	-17.4	17.7
Top 0.1 Percent	97.7	2.3	35.6	104.8	-1,494,257	-54.9	-7.3	6.9	-21.6	17.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷
	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	105	0.1	9,325	3.7	1.1
Second Quintile	34,713	20.9	24,668	7.1	2,308	2.8	22,360	8.4	9.4
Middle Quintile	33,034	19.9	44,764	12.3	7,106	8.3	37,658	13.5	15.9
Fourth Quintile	30,538	18.4	76,122	19.3	15,834	17.0	60,288	20.0	20.8
Top Quintile	30,666	18.4	230,715	58.8	66,366	71.6	164,348	54.8	28.8
All	166,272	100.0	72,381	100.0	17,091	100.0	55,290	100.0	23.6
Addendum									
80-90	15,414	9.3	115,967	14.9	28,051	15.2	87,916	14.7	24.2
90-95	7,701	4.6	165,716	10.6	42,628	11.6	123,088	10.3	25.7
95-99	6,085	3.7	289,779	14.7	79,971	17.1	209,807	13.9	27.6
Top 1 Percent	1,466	0.9	1,533,122	18.7	537,321	27.7	995,800	15.9	35.1
Top 0.1 Percent	148	0.1	6,917,786	8.5	2,722,897	14.2	4,194,889	6.8	39.4

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 0.0

* Less than 0.05

(1) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

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(4) 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.

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

(6) 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.

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Table T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table - Single Tax Units

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.2	86.0	-14.4	-48.3	1,017	241.0	3.8	5.2	13.6	19.3
Second Quintile	2.9	96.6	-10.2	-71.1	1,775	102.1	5.7	10.6	9.3	18.4
Middle Quintile	14.7	85.1	-6.8	-62.0	1,917	35.9	5.6	17.7	5.7	21.6
Fourth Quintile	36.8	63.2	-2.0	-20.0	834	7.1	3.0	22.9	1.5	23.1
Top Quintile	77.3	22.7	14.6	301.6	-15,349	-34.4	-18.1	43.4	-10.2	19.5
All	19.2	77.2	2.0	100.0	-606	-7.0	0.0	100.0	-1.6	20.6
Addendum										
80-90	71.4	28.5	4.1	26.9	-2,571	-12.2	-0.9	14.6	-3.1	22.2
90-95	82.8	17.2	8.7	35.7	-7,481	-23.3	-1.9	8.9	-6.3	20.8
95-99	84.1	15.9	13.2	70.1	-19,145	-33.5	-4.2	10.5	-9.5	18.8
Top 1 Percent	90.3	9.8	35.4	168.8	-226,170	-57.4	-11.2	9.5	-21.9	16.2
Top 0.1 Percent	97.8	2.2	46.9	89.8	-1,316,070	-60.9	-6.0	4.4	-26.5	17.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷
	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	422	1.4	7,045	6.7	5.7
Second Quintile	19,587	24.3	19,069	11.9	1,739	4.9	17,329	13.9	9.1
Middle Quintile	15,802	19.6	33,699	16.9	5,347	12.1	28,352	18.3	15.9
Fourth Quintile	11,719	14.5	54,610	20.3	11,790	19.8	42,819	20.5	21.6
Top Quintile	9,604	11.9	150,063	45.8	44,630	61.6	105,433	41.3	29.7
All	80,622	100.0	39,043	100.0	8,637	100.0	30,407	100.0	22.1
Addendum									
80-90	5,116	6.4	83,160	13.5	21,007	15.4	62,152	13.0	25.3
90-95	2,332	2.9	118,552	8.8	32,161	10.8	86,391	8.2	27.1
95-99	1,790	2.2	202,277	11.5	57,181	14.7	145,096	10.6	28.3
Top 1 Percent	365	0.5	1,033,246	12.0	393,929	20.7	639,317	9.5	38.1
Top 0.1 Percent	33	0.0	4,968,941	5.3	2,162,383	10.4	2,806,558	3.8	43.5

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

* Less than 0.05

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

(6) 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.

(7) 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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Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.9	90.7	-28.8	-7.7	4,015	5,361.4	1.0	1.1	28.6	29.2
Second Quintile	2.0	97.9	-16.8	-15.2	5,256	138.1	2.2	3.6	15.0	25.8
Middle Quintile	3.3	96.7	-11.1	-27.7	5,476	62.0	4.5	9.8	9.4	24.5
Fourth Quintile	16.3	83.7	-5.3	-26.3	3,918	20.7	5.6	20.7	4.2	24.5
Top Quintile	68.3	31.7	10.8	177.1	-21,085	-27.0	-13.4	64.7	-7.7	20.8
All	28.5	71.0	4.0	100.0	-3,976	-11.9	0.0	100.0	-3.0	22.1
Addendum										
80-90	53.1	46.8	0.1	0.2	-56	-0.2	2.1	17.4	0.0	23.7
90-95	74.9	25.1	3.9	12.0	-5,473	-11.5	0.1	12.6	-2.9	22.4
95-99	88.0	12.0	9.5	39.8	-22,760	-25.0	-2.8	16.1	-6.9	20.6
Top 1 Percent	93.6	6.4	24.9	125.0	-275,698	-47.7	-12.7	18.6	-16.4	18.0
Top 0.1 Percent	97.7	2.3	33.4	70.5	-1,527,658	-53.4	-7.4	8.3	-20.6	17.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷
	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	75	0.0	13,952	1.1	0.5
Second Quintile	6,664	11.5	35,110	3.1	3,806	1.3	31,304	3.6	10.8
Middle Quintile	11,624	20.1	58,324	8.8	8,836	5.3	49,488	10.0	15.2
Fourth Quintile	15,415	26.7	93,246	18.7	18,898	15.1	74,348	19.9	20.3
Top Quintile	19,298	33.4	274,004	68.9	78,019	78.1	195,984	65.8	28.5
All	57,802	100.0	132,789	100.0	33,359	100.0	99,430	100.0	25.1
Addendum									
80-90	9,190	15.9	135,542	16.2	32,197	15.4	103,344	16.5	23.8
90-95	5,048	8.7	188,768	12.4	47,791	12.5	140,977	12.4	25.3
95-99	4,018	7.0	331,401	17.4	91,006	19.0	240,394	16.8	27.5
Top 1 Percent	1,042	1.8	1,686,659	22.9	578,469	31.3	1,108,191	20.1	34.3
Top 0.1 Percent	106	0.2	7,429,691	10.3	2,859,912	15.7	4,569,779	8.4	38.5

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

* Less than 0.05

(1) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

(2) Baseline is 2013 current law. Proposal replaces the individual income tax, corporate income tax, payroll tax and estate tax with presidential candidate Herman Cain's 9-9-9 Plan. The fully phased in proposal is evaluated at 2013 income levels and all amounts are expressed in 2013 dollars. For a detailed description of TPC's interpretation of the 9-9-9 Plan, see www.taxpolicycenter.org/taxtopics/Cain-9-9-9-plan.cfm. For a description of TPC's current law and current policy baselines, see

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

(3) 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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(4) 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.

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

(6) 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.

(7) 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 T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.2	97.5	-28.2	38.4	3,758	-469.2	14.3	10.2	30.0	23.6
Second Quintile	0.6	99.4	-18.6	50.7	5,079	215.0	13.0	24.9	17.1	25.0
Middle Quintile	5.9	93.9	-8.6	21.2	3,512	41.1	-1.6	24.5	7.1	24.5
Fourth Quintile	26.9	73.1	-3.0	6.0	1,745	10.7	-7.5	20.8	2.3	23.9
Top Quintile	74.0	26.0	8.2	-16.4	-10,448	-21.9	-18.2	19.6	-6.0	21.3
All	8.4	91.0	-9.5	100.0	3,190	50.5	0.0	100.0	8.0	23.8
Addendum										
80-90	70.1	29.9	2.4	-2.0	-2,005	-7.3	-5.4	8.7	-1.8	22.9
90-95	81.1	19.0	5.2	-1.7	-6,013	-15.3	-2.5	3.2	-3.9	21.7
95-99	78.5	21.5	7.7	-3.5	-15,193	-22.3	-3.8	4.1	-5.7	19.9
Top 1 Percent	94.7	5.3	25.0	-9.1	-220,176	-45.9	-6.4	3.6	-16.2	19.0
Top 0.1 Percent	97.4	2.6	34.6	-5.0	-1,353,710	-52.9	-3.3	1.5	-20.9	18.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷	
	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	-801	-4.1	13,327	12.9	-6.4	
Second Quintile	8,034	31.8	29,745	23.7	2,363	11.9	27,382	25.9	7.9	
Middle Quintile	4,869	19.3	49,199	23.7	8,538	26.1	40,661	23.3	17.4	
Fourth Quintile	2,769	11.0	75,439	20.7	16,282	28.3	59,157	19.3	21.6	
Top Quintile	1,263	5.0	175,207	21.9	47,675	37.8	127,531	18.9	27.2	
All	25,256	100.0	39,986	100.0	6,311	100.0	33,675	100.0	15.8	
Addendum										
80-90	814	3.2	111,657	9.0	27,609	14.1	84,048	8.0	24.7	
90-95	230	0.9	154,037	3.5	39,378	5.7	114,659	3.1	25.6	
95-99	186	0.7	266,330	4.9	68,177	7.9	198,153	4.3	25.6	
Top 1 Percent	33	0.1	1,361,869	4.5	479,425	10.1	882,443	3.5	35.2	
Top 0.1 Percent	3	0.0	6,471,563	1.9	2,558,687	4.8	3,912,875	1.4	39.5	

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

* Less than 0.05

(1) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

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(4) 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.

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

(6) 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.

(7) 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 T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table - Tax Units with Children

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.7	93.1	-31.7	900.1	4,580	-416.1	4.2	3.2	34.3	26.1
Second Quintile	0.7	99.3	-19.2	1,248.6	5,941	194.8	5.8	8.8	17.5	26.5
Middle Quintile	4.3	95.7	-9.9	957.1	4,908	44.6	4.4	14.4	8.1	26.2
Fourth Quintile	22.2	77.8	-3.8	579.6	2,990	13.1	2.6	23.2	3.0	25.6
Top Quintile	73.6	26.4	10.5	-3,593.4	-22,093	-24.9	-17.0	50.3	-7.4	22.3
All	18.1	80.5	-0.2	100.0	104	0.5	0.0	100.0	0.1	24.1
Addendum										
80-90	62.3	37.6	1.2	-118.6	-1,385	-3.5	-0.6	15.1	-0.9	24.6
90-95	81.0	19.0	4.5	-282.7	-7,327	-12.4	-1.4	9.3	-3.3	23.4
95-99	90.1	9.9	9.6	-831.0	-26,837	-23.8	-3.9	12.3	-6.8	21.9
Top 1 Percent	96.2	3.8	25.2	-2,361.1	-317,025	-44.7	-11.1	13.6	-16.1	20.0
Top 0.1 Percent	98.3	1.7	33.5	-1,273.9	-1,860,503	-51.3	-6.0	5.6	-20.3	19.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷	
	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	-1,101	-1.0	14,456	4.2	-8.2	
Second Quintile	10,789	21.8	33,957	8.0	3,050	3.0	30,907	9.5	9.0	
Middle Quintile	10,009	20.3	60,740	13.2	11,001	10.0	49,739	14.2	18.1	
Fourth Quintile	9,950	20.1	101,182	21.9	22,868	20.6	78,314	22.3	22.6	
Top Quintile	8,349	16.9	298,935	54.3	88,778	67.3	210,157	50.2	29.7	
All	49,418	100.0	93,026	100.0	22,303	100.0	70,723	100.0	24.0	
Addendum										
80-90	4,396	8.9	154,877	14.8	39,479	15.8	115,399	14.5	25.5	
90-95	1,981	4.0	221,864	9.6	59,124	10.6	162,740	9.2	26.7	
95-99	1,589	3.2	392,402	13.6	112,658	16.3	279,744	12.7	28.7	
Top 1 Percent	382	0.8	1,966,324	16.4	710,074	24.6	1,256,250	13.7	36.1	
Top 0.1 Percent	35	0.1	9,174,185	7.0	3,627,809	11.6	5,546,377	5.6	39.5	

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) Since we conducted this analysis, the Cain campaign has said tax units could claim a deduction on the individual flat tax to mitigate the effects on households below the poverty level. Despite several requests for clarification, the campaign has not defined clearly how that deduction would work. This analysis therefore does not include a poverty deduction. Including a poverty deduction would reduce taxes for households claiming the deduction but would require either higher tax rates or a broader tax base in order to raise the same amount of revenue as the version of the plan without poverty relief. (Footnote added November 10, 2011)

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(4) 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.

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(6) 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.

(7) 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 T11-0373
Herman Cain's "9-9-9" Tax Reform Plan without Poverty Deduction ¹
Baseline: Current Law
Fully Phased in Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size ²
Detail Table - Elderly Tax Units

Cash Income Percentile ^{3,4}	Percent of Tax Units ⁵		Percent Change in After-Tax Income ⁶	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.8	92.1	-12.4	-7.9	1,175	1,564.7	1.6	1.7	12.3	13.1
Second Quintile	2.3	97.6	-11.4	-23.8	2,269	619.9	5.0	5.6	11.2	13.1
Middle Quintile	5.9	94.1	-11.5	-40.4	4,343	182.2	9.0	12.8	10.8	16.8
Fourth Quintile	15.2	84.8	-7.3	-31.5	4,419	48.9	8.7	19.6	6.3	19.3
Top Quintile	56.8	43.2	15.7	203.4	-26,391	-40.8	-24.3	60.2	-11.3	16.4
All	15.6	83.5	4.3	100.0	-2,420	-17.0	0.0	100.0	-3.4	16.7
Addendum										
80-90	37.9	62.1	-0.4	-1.3	365	1.8	2.7	14.6	0.4	19.1
90-95	61.2	38.8	5.6	13.0	-6,657	-19.7	-0.4	10.9	-4.4	17.8
95-99	80.9	19.1	13.9	47.4	-27,305	-39.1	-5.5	15.1	-10.3	16.0
Top 1 Percent	91.0	9.0	34.5	144.3	-302,721	-60.0	-21.1	19.7	-21.9	14.6
Top 0.1 Percent	98.7	1.4	43.4	78.4	-1,604,042	-62.2	-11.7	9.7	-25.6	15.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ²

Cash Income Percentile ^{3,4}	Tax Units ⁵		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁶		Average Federal Tax Rate ⁷
	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	75	0.1	9,456	2.7	0.8
Second Quintile	9,396	25.4	20,198	7.2	366	0.7	19,832	8.9	1.8
Middle Quintile	8,334	22.5	40,053	12.7	2,383	3.8	37,669	14.9	6.0
Fourth Quintile	6,402	17.3	69,759	17.0	9,043	11.0	60,716	18.5	13.0
Top Quintile	6,913	18.7	232,751	61.1	64,617	84.5	168,134	55.2	27.8
All	37,068	100.0	71,055	100.0	14,265	100.0	56,790	100.0	20.1
Addendum									
80-90	3,175	8.6	105,683	12.7	19,828	11.9	85,855	13.0	18.8
90-95	1,753	4.7	152,604	10.2	33,855	11.2	118,749	9.9	22.2
95-99	1,557	4.2	266,474	15.8	69,807	20.6	196,667	14.6	26.2
Top 1 Percent	427	1.2	1,382,440	22.4	504,551	40.8	877,888	17.8	36.5
Top 0.1 Percent	44	0.1	6,274,992	10.4	2,577,217	21.4	3,697,775	7.7	41.1

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.

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