

**Table T12-0006**  
**Temporary Payroll Tax Cut Continuation Act of 2011**  
**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2012 <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>	55.4	-27	0.0	0	0.2	3.4	-15	-0.2	1.5
<b>Second Quintile</b>	75.4	-69	0.0	0	0.2	10.1	-52	-0.2	7.1
<b>Middle Quintile</b>	83.5	-123	0.0	0	0.3	17.6	-103	-0.2	13.9
<b>Fourth Quintile</b>	88.3	-216	0.0	0	0.3	26.9	-191	-0.2	18.7
<b>Top Quintile</b>	90.4	-377	0.0	0	0.2	41.8	-341	-0.1	25.4
<b>All</b>	75.7	-153	0.0	0	0.2	100.0	-116	-0.2	20.3
<b>Addendum</b>									
<b>80-90</b>	89.9	-336	0.0	0	0.3	18.7	-302	-0.2	22.3
<b>90-95</b>	92.0	-409	0.0	0	0.3	11.3	-376	-0.2	24.6
<b>95-99</b>	90.0	-422	0.0	0	0.2	9.4	-380	-0.1	25.7
<b>Top 1 Percent</b>	88.8	-446	0.0	0	0.0	2.5	-396	0.0	28.0
<b>Top 0.1 Percent</b>	87.6	-447	0.0	0	0.0	0.3	-391	0.0	30.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 31.2

Proposal: 31.2

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. 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% \$17,130; 40% \$34,174; 60% \$62,042; 80% \$104,401; 90% \$169,059; 95% \$216,085; 99% \$569,944; 99.9% \$2,474,273.

(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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**Distribution of Federal Tax Change by Cash Income Percentile, 2012 <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	55.4	0.0	0.2	3.4	-15	-9.8	0.0	0.3	-0.2	1.5
Second Quintile	75.4	0.0	0.2	10.1	-52	-2.8	-0.1	2.8	-0.2	7.1
Middle Quintile	83.5	0.0	0.3	17.6	-103	-1.6	-0.1	8.9	-0.2	13.9
Fourth Quintile	88.3	0.0	0.3	26.9	-191	-1.2	-0.1	17.7	-0.2	18.7
Top Quintile	90.4	0.0	0.2	41.8	-341	-0.5	0.2	70.3	-0.1	25.4
All	75.7	0.0	0.2	100.0	-116	-0.8	0.0	100.0	-0.2	20.3
<b>Addendum</b>										
80-90	89.9	0.0	0.3	18.7	-302	-1.0	0.0	15.5	-0.2	22.3
90-95	92.0	0.0	0.3	11.3	-376	-0.8	0.0	11.5	-0.2	24.6
95-99	90.0	0.0	0.2	9.4	-380	-0.4	0.1	17.8	-0.1	25.7
Top 1 Percent	88.8	0.0	0.0	2.5	-396	-0.1	0.2	25.5	0.0	28.0
Top 0.1 Percent	87.6	0.0	0.0	0.3	-391	0.0	0.1	13.5	0.0	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2012 <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	43,663	26.4	9,572	3.6	154	0.3	9,418	4.5	1.6
Second Quintile	37,050	22.4	25,295	8.1	1,844	2.9	23,451	9.5	7.3
Middle Quintile	32,849	19.9	45,950	13.1	6,476	9.0	39,474	14.1	14.1
Fourth Quintile	27,060	16.4	81,893	19.2	15,515	17.7	66,378	19.6	19.0
Top Quintile	23,575	14.3	275,386	56.2	70,355	70.0	205,030	52.6	25.6
All	165,201	100.0	69,939	100.0	14,336	100.0	55,604	100.0	20.5
<b>Addendum</b>									
80-90	11,894	7.2	137,086	14.1	30,880	15.5	106,206	13.8	22.5
90-95	5,764	3.5	191,432	9.6	47,366	11.5	144,066	9.0	24.7
95-99	4,723	2.9	344,096	14.1	88,941	17.7	255,155	13.1	25.9
Top 1 Percent	1,193	0.7	1,787,841	18.5	501,420	25.3	1,286,421	16.7	28.1
Top 0.1 Percent	122	0.1	8,534,016	9.0	2,595,815	13.4	5,938,201	7.9	30.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 31.2

Proposal: 31.2

\* Less than 0.05

(1) Calendar year. Baseline is current law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. 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% \$17,130; 40% \$34,174; 60% \$62,042; 80% \$104,401; 90% \$169,059; 95% \$216,085; 99% \$569,944; 99.9% \$2,474,273.

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**Table T12-0006**  
**Temporary Payroll Tax Cut Continuation Act of 2011**  
**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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
<b>Lowest Quintile</b>	63.2	0.0	0.2	3.4	-18	7.3	0.0	-0.4	-0.2	-3.0
<b>Second Quintile</b>	66.7	0.0	0.2	8.3	-46	-3.9	-0.1	1.7	-0.2	5.1
<b>Middle Quintile</b>	79.0	0.0	0.3	15.5	-89	-1.7	-0.1	7.4	-0.2	12.8
<b>Fourth Quintile</b>	86.5	0.0	0.3	26.7	-166	-1.3	-0.1	17.0	-0.2	18.2
<b>Top Quintile</b>	88.0	0.0	0.2	45.9	-299	-0.5	0.2	74.3	-0.1	25.2
<b>All</b>	75.7	0.0	0.2	100.0	-116	-0.8	0.0	100.0	-0.2	20.3
<b>Addendum</b>										
<b>80-90</b>	88.6	0.0	0.3	20.1	-262	-1.0	0.0	16.3	-0.2	22.5
<b>90-95</b>	87.6	0.0	0.3	12.5	-324	-0.8	0.0	12.6	-0.2	23.7
<b>95-99</b>	87.8	0.0	0.2	10.6	-348	-0.5	0.1	18.9	-0.1	25.6
<b>Top 1 Percent</b>	83.8	0.0	0.0	2.6	-349	-0.1	0.2	26.5	0.0	27.9
<b>Top 0.1 Percent</b>	83.7	0.0	0.0	0.3	-354	0.0	0.1	13.9	0.0	30.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	
<b>Lowest Quintile</b>	35,974	21.8	8,876	2.8	-250	-0.4	9,126	3.6	-2.8
<b>Second Quintile</b>	34,567	20.9	22,590	6.8	1,195	1.7	21,395	8.1	5.3
<b>Middle Quintile</b>	33,255	20.1	40,903	11.8	5,325	7.5	35,577	12.9	13.0
<b>Fourth Quintile</b>	30,969	18.8	70,796	19.0	13,023	17.0	57,773	19.5	18.4
<b>Top Quintile</b>	29,431	17.8	235,116	59.9	59,579	74.0	175,537	56.2	25.3
<b>All</b>	165,201	100.0	69,939	100.0	14,336	100.0	55,604	100.0	20.5
<b>Addendum</b>									
<b>80-90</b>	14,735	8.9	115,382	14.7	26,204	16.3	89,178	14.3	22.7
<b>90-95</b>	7,387	4.5	169,033	10.8	40,318	12.6	128,715	10.4	23.9
<b>95-99</b>	5,859	3.6	296,436	15.0	76,104	18.8	220,332	14.1	25.7
<b>Top 1 Percent</b>	1,450	0.9	1,540,746	19.3	430,079	26.3	1,110,667	17.5	27.9
<b>Top 0.1 Percent</b>	144	0.1	7,479,092	9.3	2,268,428	13.8	5,210,663	8.2	30.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 31.2

\* Less than 0.05

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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% \$11,888; 40% \$22,737; 60% \$38,728; 80% \$67,694; 90% \$99,454; 95% \$141,130; 99% \$361,878; 99.9% \$1,491,280.

(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.

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**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	53.7	0.0	0.2	5.4	-11	-3.8	0.0	1.2	-0.2	4.1
Second Quintile	48.7	0.0	0.2	9.5	-24	-1.9	-0.1	4.5	-0.1	7.1
Middle Quintile	71.9	0.0	0.2	19.9	-60	-1.4	-0.1	12.5	-0.2	13.6
Fourth Quintile	82.8	0.0	0.3	28.7	-116	-1.2	-0.1	21.3	-0.2	19.1
Top Quintile	81.7	0.0	0.2	36.4	-203	-0.5	0.2	60.4	-0.1	25.2
All	63.4	0.0	0.2	100.0	-61	-0.9	0.0	100.0	-0.2	18.7
<b>Addendum</b>										
80-90	84.9	0.0	0.3	19.7	-185	-1.0	0.0	17.6	-0.2	22.7
90-95	78.4	0.0	0.3	6.6	-222	-0.8	0.0	7.0	-0.2	23.0
95-99	77.9	0.0	0.2	8.5	-242	-0.5	0.1	15.1	-0.1	24.5
Top 1 Percent	68.4	0.0	0.0	1.6	-197	-0.1	0.2	20.7	0.0	29.5
Top 0.1 Percent	67.8	0.0	0.0	0.1	-206	0.0	0.1	10.2	0.0	33.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	23,296	28.9	7,053	5.6	301	1.3	6,752	6.6	4.3
Second Quintile	19,542	24.2	17,555	11.7	1,274	4.5	16,280	13.4	7.3
Middle Quintile	16,237	20.1	30,999	17.2	4,287	12.6	26,713	18.3	13.8
Fourth Quintile	12,148	15.1	50,263	20.8	9,710	21.3	40,554	20.7	19.3
Top Quintile	8,806	10.9	149,273	44.9	37,812	60.2	111,460	41.3	25.3
All	80,620	100.0	36,344	100.0	6,859	100.0	29,486	100.0	18.9
<b>Addendum</b>									
80-90	5,247	6.5	80,765	14.5	18,547	17.6	62,217	13.7	23.0
90-95	1,450	1.8	115,538	5.7	26,829	7.0	88,708	5.4	23.2
95-99	1,714	2.1	197,496	11.6	48,621	15.1	148,875	10.7	24.6
Top 1 Percent	395	0.5	972,862	13.1	286,828	20.5	686,034	11.4	29.5
Top 0.1 Percent	34	0.0	5,001,060	5.8	1,654,017	10.2	3,347,043	4.8	33.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

\* Less than 0.05

(1) Calendar year. Baseline is current law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. For a description of TPC's current law and current policy baselines, see

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**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	76.7	0.0	0.3	1.3	-36	4.1	0.0	-0.2	-0.3	-6.9
Second Quintile	85.0	0.0	0.3	4.4	-79	-5.0	0.0	0.6	-0.3	4.8
Middle Quintile	81.6	0.0	0.3	11.4	-119	-1.9	-0.1	4.3	-0.2	11.7
Fourth Quintile	87.9	0.0	0.3	26.4	-201	-1.3	-0.1	14.4	-0.2	17.5
Top Quintile	90.5	0.0	0.2	56.3	-347	-0.5	0.2	80.9	-0.1	25.2
All	86.2	0.0	0.2	100.0	-207	-0.7	0.0	100.0	-0.2	22.0
<b>Addendum</b>										
80-90	90.5	0.0	0.3	22.8	-313	-1.0	-0.1	16.1	-0.2	22.3
90-95	89.6	0.0	0.3	16.9	-352	-0.8	0.0	15.0	-0.2	23.8
95-99	92.1	0.0	0.2	13.2	-399	-0.5	0.1	21.0	-0.1	25.8
Top 1 Percent	89.7	0.0	0.0	3.5	-414	-0.1	0.2	28.8	0.0	27.5
Top 0.1 Percent	89.7	0.0	0.0	0.4	-412	0.0	0.1	15.0	0.0	29.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	4,296	7.5	13,221	0.8	-876	-0.2	14,097	1.0	-6.6
Second Quintile	6,617	11.6	31,809	2.8	1,597	0.6	30,212	3.4	5.0
Middle Quintile	11,298	19.8	53,751	8.1	6,415	4.4	47,336	9.1	11.9
Fourth Quintile	15,501	27.1	87,305	18.0	15,477	14.5	71,828	19.0	17.7
Top Quintile	19,157	33.5	276,344	70.5	69,940	80.7	206,404	67.6	25.3
All	57,183	100.0	131,340	100.0	29,038	100.0	102,302	100.0	22.1
<b>Addendum</b>									
80-90	8,593	15.0	138,354	15.8	31,211	16.2	107,143	15.7	22.6
90-95	5,655	9.9	183,483	13.8	43,951	15.0	139,532	13.5	24.0
95-99	3,914	6.9	342,206	17.8	88,816	20.9	253,390	17.0	26.0
Top 1 Percent	995	1.7	1,736,620	23.0	477,823	28.6	1,258,797	21.4	27.5
Top 0.1 Percent	102	0.2	8,159,559	11.0	2,431,222	14.9	5,728,337	10.0	29.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

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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% \$11,888; 40% \$22,737; 60% \$38,728; 80% \$67,694; 90% \$99,454; 95% \$141,130; 99% \$361,878; 99.9% \$1,491,280.

(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 T12-0006**  
**Temporary Payroll Tax Cut Continuation Act of 2011**  
**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	82.7	0.0	0.2	10.5	-28	1.8	-0.5	-12.1	-0.2	-13.2
Second Quintile	94.3	0.0	0.3	26.7	-73	-12.9	-0.5	3.8	-0.3	1.8
Middle Quintile	94.2	0.0	0.3	26.9	-118	-1.9	0.0	28.4	-0.3	13.3
Fourth Quintile	94.1	0.0	0.3	23.3	-191	-1.4	0.3	35.5	-0.3	19.3
Top Quintile	93.4	0.0	0.2	12.5	-268	-0.6	0.7	44.4	-0.1	24.7
All	90.2	0.0	0.3	100.0	-88	-2.0	0.0	100.0	-0.2	11.4
<b>Addendum</b>										
80-90	92.2	0.0	0.3	7.0	-251	-1.0	0.2	14.1	-0.2	23.1
90-95	98.1	0.0	0.3	3.1	-305	-0.8	0.1	8.1	-0.2	23.6
95-99	91.9	0.0	0.1	1.9	-278	-0.4	0.2	9.7	-0.1	24.5
Top 1 Percent	91.9	0.0	0.0	0.4	-286	-0.1	0.2	12.4	0.0	28.0
Top 0.1 Percent	79.8	0.0	0.0	0.0	-266	0.0	0.1	6.1	0.0	30.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	8,142	32.8	11,820	10.5	-1,529	-11.7	13,349	13.4	-12.9
Second Quintile	7,970	32.1	27,357	23.8	568	4.2	26,788	26.4	2.1
Middle Quintile	4,970	20.0	44,886	24.3	6,090	28.4	38,796	23.8	13.6
Fourth Quintile	2,665	10.7	72,171	21.0	14,127	35.3	58,044	19.1	19.6
Top Quintile	1,013	4.1	185,283	20.5	46,082	43.7	139,201	17.4	24.9
All	24,826	100.0	36,919	100.0	4,301	100.0	32,618	100.0	11.7
<b>Addendum</b>									
80-90	607	2.4	105,401	7.0	24,625	14.0	80,776	6.1	23.4
90-95	223	0.9	160,960	3.9	38,335	8.0	122,625	3.4	23.8
95-99	151	0.6	276,308	4.5	67,886	9.6	208,422	3.9	24.6
Top 1 Percent	34	0.1	1,383,004	5.1	387,752	12.2	995,253	4.1	28.0
Top 0.1 Percent	3	0.0	6,783,100	2.3	2,037,547	6.0	4,745,554	1.8	30.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

\* Less than 0.05

(1) Calendar year. Baseline is current law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. 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% \$11,888; 40% \$22,737; 60% \$38,728; 80% \$67,694; 90% \$99,454; 95% \$141,130; 99% \$361,878; 99.9% \$1,491,280.

(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 T12-0006**  
**Temporary Payroll Tax Cut Continuation Act of 2011**  
**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	88.3	0.0	0.2	3.8	-34	1.6	-0.1	-2.3	-0.3	-17.0
Second Quintile	98.9	0.0	0.3	10.4	-88	-17.8	-0.1	0.5	-0.3	1.3
Middle Quintile	98.3	0.0	0.3	16.8	-156	-2.0	-0.1	8.0	-0.3	13.7
Fourth Quintile	98.7	0.0	0.4	28.0	-264	-1.4	-0.1	19.2	-0.3	19.7
Top Quintile	98.9	0.0	0.2	40.8	-431	-0.5	0.3	74.5	-0.1	26.7
All	96.5	0.0	0.3	100.0	-185	-1.0	0.0	100.0	-0.2	20.7
<b>Addendum</b>										
80-90	99.1	0.0	0.3	20.8	-407	-1.0	0.0	19.7	-0.3	24.6
90-95	99.0	0.0	0.3	9.2	-445	-0.8	0.0	10.9	-0.2	25.2
95-99	98.7	0.0	0.2	8.6	-470	-0.4	0.1	19.3	-0.1	27.2
Top 1 Percent	97.3	0.0	0.0	2.2	-488	-0.1	0.2	24.6	0.0	29.0
Top 0.1 Percent	93.4	0.0	0.0	0.2	-475	0.0	0.1	12.3	0.0	30.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	9,976	20.5	12,634	2.8	-2,110	-2.3	14,744	4.2	-16.7
Second Quintile	10,734	22.0	31,005	7.4	493	0.6	30,512	9.2	1.6
Middle Quintile	9,714	19.9	55,609	12.1	7,786	8.1	47,823	13.1	14.0
Fourth Quintile	9,574	19.7	94,335	20.2	18,855	19.3	75,480	20.4	20.0
Top Quintile	8,539	17.5	302,475	57.7	81,133	74.2	221,341	53.3	26.8
All	48,707	100.0	91,956	100.0	19,174	100.0	72,782	100.0	20.9
<b>Addendum</b>									
80-90	4,612	9.5	161,129	16.6	39,962	19.7	121,167	15.8	24.8
90-95	1,871	3.8	212,984	8.9	54,131	10.8	158,853	8.4	25.4
95-99	1,657	3.4	395,702	14.6	108,226	19.2	287,476	13.4	27.4
Top 1 Percent	399	0.8	1,969,435	17.5	571,334	24.4	1,398,102	15.7	29.0
Top 0.1 Percent	38	0.1	9,819,482	8.3	3,007,139	12.2	6,812,343	7.3	30.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

\* 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 law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. 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% \$11,888; 40% \$22,737; 60% \$38,728; 80% \$67,694; 90% \$99,454; 95% \$141,130; 99% \$361,878; 99.9% \$1,491,280.

(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 T12-0006**  
**Temporary Payroll Tax Cut Continuation Act of 2011**  
**Baseline: Current Law without the Temporary Payroll Tax Cut Extension for 2012**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012<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	4.3	0.0	0.0	0.4	-1	-1.3	0.0	0.1	0.0	0.7
Second Quintile	10.7	0.0	0.0	2.3	-3	-1.3	0.0	0.5	0.0	1.2
Middle Quintile	33.3	0.0	0.0	12.5	-16	-1.0	0.0	3.3	0.0	4.2
Fourth Quintile	47.1	0.0	0.1	27.4	-43	-0.6	0.0	11.7	-0.1	10.5
Top Quintile	52.4	0.0	0.1	57.4	-94	-0.2	0.1	84.5	0.0	22.3
All	29.3	0.0	0.1	100.0	-29	-0.3	0.0	100.0	0.0	16.1
<b>Addendum</b>										
80-90	49.3	0.0	0.1	17.7	-65	-0.4	0.0	11.2	-0.1	15.3
90-95	53.7	0.0	0.1	17.6	-105	-0.4	0.0	13.2	-0.1	18.9
95-99	56.2	0.0	0.1	16.5	-123	-0.2	0.0	21.2	-0.1	22.3
Top 1 Percent	55.3	0.0	0.0	5.7	-147	0.0	0.1	38.9	0.0	27.6
Top 0.1 Percent	64.9	0.0	0.0	0.8	-198	0.0	0.1	21.2	0.0	30.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2012<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	5,424	14.9	8,807	1.9	60	0.1	8,747	2.3	0.7	
Second Quintile	9,099	25.1	18,333	6.6	213	0.5	18,119	7.8	1.2	
Middle Quintile	8,491	23.4	36,941	12.5	1,573	3.3	35,368	14.3	4.3	
Fourth Quintile	6,762	18.6	66,644	18.0	7,012	11.7	59,632	19.2	10.5	
Top Quintile	6,515	17.9	235,268	61.1	52,506	84.4	182,762	56.6	22.3	
All	36,319	100.0	69,121	100.0	11,159	100.0	57,962	100.0	16.1	
<b>Addendum</b>										
80-90	2,900	8.0	102,036	11.8	15,644	11.2	86,392	11.9	15.3	
90-95	1,783	4.9	158,813	11.3	30,056	13.2	128,757	10.9	18.9	
95-99	1,422	3.9	270,694	15.3	60,378	21.2	210,316	14.2	22.3	
Top 1 Percent	411	1.1	1,385,408	22.7	383,027	38.8	1,002,381	19.6	27.7	
Top 0.1 Percent	43	0.1	6,520,261	11.1	2,004,490	21.2	4,515,771	9.2	30.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

\* 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 law without the provisions of the Temporary Payroll Tax Cut Continuation Act of 2011. Proposal extends the existing OASDI tax rate for employees at 4.2 percent for the first two months of calendar year 2012, subject to a cap of \$18,350. Our estimates assume that wages, salaries and self-employment incomes are uniformly distributed through the calendar year. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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