

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Summary Table

Cash Income Level (thousands of 2011 dollars) ²	Tax Units with Tax Increase or Cut ³				Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	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					
Less than 10	3.0	-24	8.6	26	0.0	0.0	2	0.0	2.7
10-20	7.2	-145	11.9	30	0.1	-0.1	-7	-0.1	1.8
20-30	13.8	-200	18.1	37	0.1	-0.3	-21	-0.1	6.9
30-40	16.0	-263	22.2	49	0.1	-0.4	-31	-0.1	11.4
40-50	17.7	-300	23.6	69	0.1	-0.4	-38	-0.1	14.2
50-75	16.8	-382	31.6	92	0.1	-0.6	-36	-0.1	16.9
75-100	18.2	-379	38.3	127	0.0	-0.3	-25	0.0	18.9
100-200	11.7	-465	51.4	248	-0.1	0.9	58	0.0	21.6
200-500	19.8	-398	69.7	4,446	-1.3	12.6	2,779	1.0	25.4
500-1,000	2.0	-582	96.2	23,440	-4.3	17.1	21,842	3.1	30.0
More than 1,000	1.1	-2,607	98.4	184,504	-8.8	71.4	179,117	5.9	38.9
All	12.4	-310	27.3	3,188	-1.4	100.0	807	1.1	21.9

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 5.2

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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 T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Detail Table

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	3.0	8.6	0.0	0.0	2	1.0	0.0	0.1	0.0	2.7
10-20	7.2	11.9	0.1	-0.1	-7	-2.4	0.0	0.3	-0.1	1.8
20-30	13.8	18.1	0.1	-0.3	-21	-1.2	-0.1	1.4	-0.1	6.9
30-40	16.0	22.2	0.1	-0.4	-31	-0.8	-0.2	2.6	-0.1	11.4
40-50	17.7	23.6	0.1	-0.4	-38	-0.6	-0.2	3.3	-0.1	14.2
50-75	16.8	31.6	0.1	-0.6	-36	-0.3	-0.5	9.2	-0.1	16.9
75-100	18.2	38.3	0.0	-0.3	-25	-0.2	-0.5	9.4	0.0	18.9
100-200	11.7	51.4	-0.1	0.9	58	0.2	-1.2	24.0	0.0	21.6
200-500	19.8	69.7	-1.3	12.6	2,779	3.9	-0.3	17.2	1.0	25.4
500-1,000	2.0	96.2	-4.3	17.1	21,842	11.7	0.5	8.3	3.1	30.0
More than 1,000	1.1	98.4	-8.8	71.4	179,117	17.9	2.6	24.0	5.9	38.9
All	12.4	27.3	-1.4	100.0	807	5.4	0.0	100.0	1.1	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013 ¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	21,065	12.7	5,766	1.0	151	0.1	5,614	1.2	2.6
10-20	27,359	16.5	15,205	3.5	286	0.3	14,919	4.3	1.9
20-30	20,377	12.3	25,480	4.3	1,789	1.5	23,691	5.1	7.0
30-40	16,959	10.2	35,896	5.1	4,119	2.8	31,777	5.7	11.5
40-50	13,305	8.0	46,141	5.1	6,574	3.5	39,567	5.5	14.3
50-75	22,765	13.7	63,142	11.9	10,674	9.7	52,468	12.5	16.9
75-100	14,636	8.8	89,268	10.9	16,901	9.9	72,367	11.1	18.9
100-200	20,881	12.6	139,817	24.3	30,165	25.2	109,652	24.0	21.6
200-500	6,084	3.7	292,655	14.8	71,557	17.4	221,099	14.1	24.5
500-1,000	1,051	0.6	696,116	6.1	186,649	7.9	509,466	5.6	26.8
More than 1,000	534	0.3	3,032,367	13.5	1,001,814	21.5	2,030,553	11.4	33.0
All	166,272	100.0	72,381	100.0	15,010	100.0	57,371	100.0	20.7

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

Number of AMT Taxpayers (millions). Baseline: 4.5 Proposal: 5.2

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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 T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	3.5	8.2	0.0	0.1	1	0.2	0.0	0.8	0.0	5.8
10-20	7.8	13.1	0.1	-0.7	-9	-1.1	-0.1	2.5	-0.1	5.6
20-30	12.5	23.4	0.1	-0.6	-12	-0.4	-0.3	5.4	-0.1	11.2
30-40	11.2	27.4	0.0	-0.4	-12	-0.2	-0.3	7.4	0.0	14.7
40-50	12.5	27.0	0.1	-0.4	-18	-0.2	-0.3	7.9	0.0	18.6
50-75	8.8	35.6	0.0	-0.1	-3	0.0	-0.7	17.5	0.0	20.9
75-100	8.7	44.4	-0.1	0.7	47	0.2	-0.5	11.4	0.1	23.5
100-200	7.7	58.8	-0.3	3.9	297	0.9	-0.6	17.4	0.2	24.6
200-500	6.2	88.0	-2.7	18.2	5,884	7.7	0.3	10.1	2.0	27.7
500-1,000	0.3	97.1	-6.8	17.0	33,351	16.5	0.5	4.8	4.8	33.9
More than 1,000	0.3	99.6	-11.6	62.2	217,820	20.3	2.0	14.6	7.4	43.8
All	8.4	23.1	-1.0	100.0	319	4.1	0.0	100.0	0.8	20.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	16,722	20.7	5,678	3.0	326	0.9	5,352	3.6	5.7
10-20	19,121	23.7	15,084	9.2	855	2.6	14,229	10.8	5.7
20-30	12,334	15.3	25,339	9.9	2,857	5.7	22,482	11.0	11.3
30-40	9,158	11.4	35,802	10.4	5,262	7.7	30,540	11.1	14.7
40-50	5,981	7.4	45,980	8.7	8,582	8.2	37,398	8.9	18.7
50-75	8,668	10.8	62,437	17.2	13,078	18.2	49,359	17.0	21.0
75-100	3,570	4.4	88,424	10.0	20,741	11.9	67,682	9.6	23.5
100-200	3,358	4.2	136,678	14.6	33,260	17.9	103,419	13.8	24.3
200-500	794	1.0	298,894	7.5	76,784	9.8	222,110	7.0	25.7
500-1,000	131	0.2	696,170	2.9	202,518	4.3	493,653	2.6	29.1
More than 1,000	74	0.1	2,952,272	6.9	1,073,932	12.7	1,878,340	5.5	36.4
All	80,622	100.0	39,043	100.0	7,730	100.0	31,313	100.0	19.8

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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 T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	1.0	15.8	-0.1	0.0	6	-10.3	0.0	0.0	0.1	-1.0
10-20	4.5	15.3	0.0	0.0	5	-1.3	0.0	-0.1	0.0	-2.3
20-30	10.2	18.6	0.0	0.0	-8	-3.5	0.0	0.0	0.0	0.9
30-40	15.1	26.1	0.1	-0.1	-30	-1.4	0.0	0.4	-0.1	6.1
40-50	17.0	28.0	0.1	-0.1	-24	-0.6	-0.1	1.0	-0.1	8.6
50-75	20.3	33.8	0.1	-0.4	-38	-0.5	-0.3	4.9	-0.1	13.4
75-100	20.8	38.3	0.1	-0.3	-36	-0.2	-0.5	8.0	0.0	17.0
100-200	11.9	51.0	0.0	0.2	10	0.0	-1.6	27.0	0.0	20.9
200-500	21.6	67.1	-1.0	11.2	2,266	3.2	-0.6	20.7	0.8	25.0
500-1,000	2.3	96.1	-3.9	17.3	20,168	11.0	0.4	10.1	2.9	29.4
More than 1,000	1.2	98.2	-8.4	72.2	169,323	17.5	2.7	27.8	5.7	38.1
All	15.3	41.0	-1.7	100.0	1,784	6.1	0.0	100.0	1.3	23.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,291	2.2	5,093	0.1	-56	0.0	5,150	0.1	-1.1
10-20	2,559	4.4	15,850	0.5	-367	-0.1	16,217	0.7	-2.3
20-30	2,875	5.0	25,634	1.0	243	0.0	25,392	1.2	1.0
30-40	3,624	6.3	36,207	1.7	2,225	0.5	33,982	2.1	6.2
40-50	4,468	7.7	46,489	2.7	4,029	1.1	42,461	3.2	8.7
50-75	10,281	17.8	63,998	8.6	8,609	5.2	55,389	9.5	13.5
75-100	9,429	16.3	89,794	11.0	15,305	8.5	74,489	11.7	17.0
100-200	16,457	28.5	140,888	30.2	29,476	28.6	111,411	30.7	20.9
200-500	5,091	8.8	291,809	19.4	70,673	21.2	221,135	18.8	24.2
500-1,000	885	1.5	696,396	8.0	184,200	9.6	512,197	7.6	26.5
More than 1,000	440	0.8	2,988,320	17.1	968,122	25.1	2,020,198	14.9	32.4
All	57,802	100.0	132,789	100.0	29,321	100.0	103,468	100.0	22.1

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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(5) 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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Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	1.1	8.1	-0.1	1.2	4	-0.6	0.0	-1.8	0.1	-11.8
10-20	6.3	5.8	0.0	-2.0	-4	0.3	0.0	-6.5	0.0	-9.9
20-30	19.4	4.6	0.2	-22.7	-50	31.9	-0.2	-0.8	-0.2	-0.8
30-40	29.3	6.9	0.3	-28.5	-82	-2.9	-0.3	8.3	-0.2	7.8
40-50	32.3	9.5	0.3	-26.5	-114	-1.9	-0.3	11.7	-0.3	12.9
50-75	27.8	14.9	0.2	-37.1	-121	-1.2	-0.6	27.0	-0.2	16.6
75-100	27.2	22.9	0.2	-17.6	-140	-0.8	-0.3	18.3	-0.2	19.5
100-200	20.9	32.2	0.0	-3.5	-41	-0.1	-0.2	21.7	0.0	23.0
200-500	36.2	53.3	-1.1	32.4	2,337	3.3	0.2	8.6	0.8	25.5
500-1,000	0.7	97.0	-3.6	39.7	18,048	10.2	0.3	3.6	2.7	28.8
More than 1,000	1.0	97.9	-8.7	164.2	163,538	16.9	1.3	9.7	5.7	39.6
All	18.8	9.9	-0.1	100.0	43	0.9	0.0	100.0	0.1	12.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,911	11.5	6,577	1.9	-783	-1.8	7,360	2.4	-11.9
10-20	5,398	21.4	15,312	8.2	-1,511	-6.5	16,823	10.3	-9.9
20-30	4,846	19.2	25,728	12.4	-158	-0.6	25,886	14.2	-0.6
30-40	3,748	14.8	35,771	13.3	2,876	8.6	32,895	13.9	8.0
40-50	2,505	9.9	45,998	11.4	6,045	12.0	39,953	11.3	13.1
50-75	3,317	13.1	62,381	20.5	10,461	27.6	51,919	19.5	16.8
75-100	1,353	5.4	88,201	11.8	17,328	18.6	70,873	10.9	19.7
100-200	905	3.6	132,511	11.9	30,460	21.9	102,051	10.4	23.0
200-500	149	0.6	287,163	4.3	70,774	8.4	216,389	3.7	24.7
500-1,000	24	0.1	675,227	1.6	176,413	3.3	498,813	1.3	26.1
More than 1,000	11	0.0	2,859,898	3.1	969,210	8.3	1,890,688	2.3	33.9
All	25,256	100.0	39,986	100.0	4,980	100.0	35,006	100.0	12.5

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. 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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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 T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.7	7.0	-0.1	0.0	5	-0.5	0.0	-0.4	0.1	-17.4
10-20	5.5	6.8	0.0	0.0	-1	0.1	0.1	-1.4	0.0	-15.6
20-30	18.4	5.2	0.2	-0.5	-43	4.0	0.0	-0.6	-0.2	-4.4
30-40	28.3	7.3	0.2	-0.8	-80	-3.9	-0.1	1.0	-0.2	5.4
40-50	31.0	9.2	0.2	-0.8	-98	-2.0	-0.1	2.0	-0.2	10.7
50-75	29.7	16.2	0.2	-1.6	-107	-1.1	-0.5	7.2	-0.2	15.1
75-100	30.9	22.9	0.1	-1.2	-101	-0.6	-0.6	9.5	-0.1	17.8
100-200	16.3	40.9	0.0	-0.7	-38	-0.1	-1.5	27.8	0.0	21.1
200-500	30.3	58.4	-1.1	13.7	2,410	3.3	-0.4	20.8	0.8	25.7
500-1,000	2.6	95.9	-4.3	19.9	21,421	11.1	0.5	9.8	3.1	30.9
More than 1,000	0.7	99.1	-8.6	71.9	168,455	17.1	2.5	24.2	5.7	39.2
All	20.8	20.7	-1.3	100.0	978	5.2	0.0	100.0	1.1	21.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013 ¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	3,361	6.8	5,988	0.4	-1,046	-0.4	7,034	0.7	-17.5
10-20	5,658	11.5	15,525	1.9	-2,414	-1.5	17,940	2.8	-15.6
20-30	5,534	11.2	25,702	3.1	-1,077	-0.6	26,779	4.1	-4.2
30-40	4,844	9.8	35,836	3.8	2,029	1.1	33,807	4.5	5.7
40-50	3,945	8.0	46,072	4.0	5,003	2.1	41,069	4.4	10.9
50-75	7,372	14.9	63,539	10.2	9,702	7.6	53,837	10.8	15.3
75-100	5,840	11.8	89,617	11.4	16,073	10.0	73,543	11.7	17.9
100-200	9,226	18.7	140,522	28.2	29,744	29.3	110,778	27.9	21.2
200-500	2,749	5.6	290,144	17.4	72,153	21.2	217,990	16.4	24.9
500-1,000	450	0.9	695,662	6.8	193,831	9.3	501,831	6.2	27.9
More than 1,000	206	0.4	2,943,211	13.2	985,336	21.7	1,957,875	11.0	33.5
All	49,418	100.0	93,026	100.0	18,948	100.0	74,078	100.0	20.4

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 policy. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains at 20% and qualified dividends at ordinary rates for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions and certain other tax expenditures to 28% for taxpayers in the top two brackets; l) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and m) continue certain expiring provisions through 2013. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) reform international tax system; e) reform tax treatment of financial and insurance industry; f) eliminate fossil fuel preferences; and g) reinstate and extend Superfund taxes. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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

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(5) 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 T12-0044
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2011 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.1	11.6	0.0	0.0	1	2.3	0.0	0.0	0.0	0.9
10-20	0.2	19.0	0.0	0.1	4	2.7	0.0	0.3	0.0	1.0
20-30	1.3	45.9	-0.1	0.2	15	2.2	-0.1	0.7	0.1	2.8
30-40	2.9	57.7	-0.1	0.2	24	1.4	-0.1	1.4	0.1	4.9
40-50	5.7	55.9	-0.1	0.3	37	1.4	-0.1	1.6	0.1	6.0
50-75	6.9	65.8	-0.1	0.9	71	1.1	-0.5	6.7	0.1	10.0
75-100	6.4	72.2	-0.2	1.0	136	1.1	-0.6	7.5	0.2	13.5
100-200	6.8	78.5	-0.3	3.4	360	1.5	-1.5	19.8	0.3	18.1
200-500	6.8	88.0	-1.7	12.5	4,036	6.0	-0.6	18.5	1.4	23.7
500-1,000	1.5	96.0	-5.1	15.1	26,097	14.1	0.4	10.3	3.7	30.2
More than 1,000	0.5	98.8	-10.4	66.3	211,472	20.1	3.0	33.3	6.9	41.0
All	3.4	49.2	-1.9	100.0	1,117	9.2	0.0	100.0	1.6	18.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2013 ¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	3,030	8.2	6,762	0.8	59	0.0	6,703	0.9	0.9
10-20	8,603	23.2	15,150	5.0	142	0.3	15,008	5.9	0.9
20-30	4,956	13.4	25,187	4.7	678	0.7	24,509	5.6	2.7
30-40	3,838	10.4	35,853	5.2	1,731	1.5	34,122	6.0	4.8
40-50	2,823	7.6	46,514	5.0	2,749	1.7	43,765	5.7	5.9
50-75	5,216	14.1	63,113	12.5	6,222	7.2	56,891	13.6	9.9
75-100	3,053	8.2	88,974	10.3	11,882	8.0	77,092	10.8	13.4
100-200	3,858	10.4	139,885	20.5	24,885	21.3	115,000	20.3	17.8
200-500	1,285	3.5	298,833	14.6	66,898	19.1	231,935	13.7	22.4
500-1,000	239	0.7	698,342	6.4	185,097	9.8	513,245	5.6	26.5
More than 1,000	130	0.4	3,081,067	15.2	1,051,862	30.3	2,029,205	12.1	34.1
All	37,068	100.0	71,055	100.0	12,169	100.0	58,887	100.0	17.1

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.

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