

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

Table T12-0049
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2015 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶		
	With Tax Cut		With Tax Increase					Change (%)	Under the Proposal	
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase						
Lowest Quintile	9.5	-85	11.9	48	0.0	-0.1	-2	0.0	2.0	
Second Quintile	17.6	-208	24.5	91	0.1	-0.3	-14	-0.1	9.1	
Middle Quintile	19.7	-322	35.9	152	0.0	-0.2	-11	0.0	15.9	
Fourth Quintile	18.6	-373	50.1	295	-0.1	1.2	71	0.1	19.5	
Top Quintile	15.0	-547	70.5	10,029	-3.1	99.3	6,798	2.3	28.1	
All	15.6	-296	34.4	3,116	-1.6	100.0	997	1.2	22.2	
Addendum										
80-90	12.3	-406	66.2	503	-0.2	1.9	252	0.2	22.2	
90-95	22.7	-650	64.8	880	-0.2	1.4	380	0.2	23.5	
95-99	15.6	-629	81.5	8,114	-2.2	18.1	6,169	1.6	27.0	
Top 1 Percent	1.4	-1,210	98.2	108,781	-7.9	78.0	104,846	5.5	36.1	
Top 0.1 Percent	0.1	-11,332	99.9	558,498	-9.9	42.0	549,628	6.6	40.1	

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

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.4

* 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) 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% \$19,342; 40% \$39,862; 60% \$69,074; 80% \$119,546; 90% \$169,987; 95% \$242,597; 99% \$629,809; 99.9% \$2,868,534.

(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 T12-0049
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2015¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	9.5	11.9	0.0	-0.1	-2	-1.1	0.0	0.3	0.0	2.0
Second Quintile	17.6	24.5	0.1	-0.3	-14	-0.5	-0.2	3.6	-0.1	9.1
Middle Quintile	19.7	35.9	0.0	-0.2	-11	-0.1	-0.6	9.8	0.0	15.9
Fourth Quintile	18.6	50.1	-0.1	1.2	71	0.4	-1.0	17.3	0.1	19.5
Top Quintile	15.0	70.5	-3.1	99.3	6,798	8.7	1.8	68.8	2.3	28.1
All	15.6	34.4	-1.6	100.0	997	5.9	0.0	100.0	1.2	22.2
Addendum										
80-90	12.3	66.2	-0.2	1.9	252	0.8	-0.7	13.7	0.2	22.2
90-95	22.7	64.8	-0.2	1.4	380	0.8	-0.5	10.0	0.2	23.5
95-99	15.6	81.5	-2.2	18.1	6,169	6.5	0.1	16.5	1.6	27.0
Top 1 Percent	1.4	98.2	-7.9	78.0	104,846	17.9	2.9	28.7	5.5	36.1
Top 0.1 Percent	0.1	99.9	-9.9	42.0	549,628	19.6	1.6	14.3	6.6	40.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2015¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,801	25.9	11,368	3.7	227	0.4	11,141	4.5	2.0	
Second Quintile	38,297	22.7	30,850	8.7	2,825	3.8	28,025	10.0	9.2	
Middle Quintile	33,246	19.7	56,491	13.8	8,969	10.4	47,522	14.7	15.9	
Fourth Quintile	27,764	16.4	97,100	19.8	18,817	18.3	78,282	20.2	19.4	
Top Quintile	24,598	14.6	301,089	54.4	77,867	67.0	223,222	51.1	25.9	
All	168,946	100.0	80,584	100.0	16,917	100.0	63,667	100.0	21.0	
Addendum										
80-90	12,369	7.3	150,582	13.7	33,158	14.4	117,424	13.5	22.0	
90-95	6,040	3.6	213,273	9.5	49,683	10.5	163,589	9.2	23.3	
95-99	4,936	2.9	375,241	13.6	95,115	16.4	280,127	12.9	25.4	
Top 1 Percent	1,253	0.7	1,918,232	17.7	587,194	25.7	1,331,038	15.5	30.6	
Top 0.1 Percent	129	0.1	8,360,965	7.9	2,806,862	12.6	5,554,103	6.6	33.6	

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

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.4

* 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) 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% \$19,342; 40% \$39,862; 60% \$69,074; 80% \$119,546; 90% \$169,987; 95% \$242,597; 99% \$629,809; 99.9% \$2,868,534.

(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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Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	9.7	9.8	0.0	0.0	-2	0.8	0.0	-0.3	0.0	-2.0
Second Quintile	19.0	19.8	0.1	-0.6	-28	-1.4	-0.2	2.4	-0.1	7.5
Middle Quintile	20.4	33.2	0.0	-0.3	-16	-0.2	-0.5	7.8	0.0	14.2
Fourth Quintile	16.8	47.3	-0.1	0.7	38	0.2	-0.9	16.5	0.0	19.0
Top Quintile	12.8	68.2	-2.8	100.1	5,369	8.2	1.6	73.3	2.1	27.8
All	15.6	34.4	-1.6	100.0	997	5.9	0.0	100.0	1.2	22.2
Addendum										
80-90	12.9	60.7	-0.1	1.3	140	0.5	-0.8	14.8	0.1	22.1
90-95	15.9	66.8	-0.3	1.9	401	0.9	-0.6	11.3	0.2	23.6
95-99	11.5	81.5	-1.9	16.6	4,472	5.6	-0.1	17.5	1.4	26.5
Top 1 Percent	1.0	98.3	-7.7	80.3	89,471	17.7	3.0	29.7	5.4	35.7
Top 0.1 Percent	0.1	99.9	-9.9	43.9	488,550	19.6	1.7	14.9	6.6	40.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	36,457	21.6	10,602	2.8	-208	-0.3	10,810	3.7	-2.0	
Second Quintile	35,217	20.9	27,635	7.2	2,096	2.6	25,538	8.4	7.6	
Middle Quintile	33,605	19.9	49,901	12.3	7,078	8.3	42,824	13.4	14.2	
Fourth Quintile	31,021	18.4	84,761	19.3	16,084	17.5	68,676	19.8	19.0	
Top Quintile	31,406	18.6	254,525	58.7	65,310	71.8	189,215	55.3	25.7	
All	168,946	100.0	80,584	100.0	16,917	100.0	63,667	100.0	21.0	
Addendum										
80-90	15,725	9.3	128,613	14.9	28,309	15.6	100,304	14.7	22.0	
90-95	7,925	4.7	182,258	10.6	42,669	11.8	139,589	10.3	23.4	
95-99	6,244	3.7	320,925	14.7	80,550	17.6	240,375	14.0	25.1	
Top 1 Percent	1,512	0.9	1,668,229	18.5	505,744	26.8	1,162,485	16.3	30.3	
Top 0.1 Percent	151	0.1	7,425,020	8.3	2,489,565	13.2	4,935,455	6.9	33.5	

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

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.4

* 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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(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% \$13,687; 40% \$26,567; 60% \$44,163; 80% \$72,423; 90% \$104,181; 95% \$147,975; 99% \$384,375; 99.9% \$1,764,281.

(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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Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	9.5	9.5	0.0	-0.2	-2	-0.6	-0.1	1.2	0.0	4.5
Second Quintile	12.5	23.0	0.0	-0.4	-6	-0.4	-0.2	4.7	0.0	8.4
Middle Quintile	14.0	33.4	0.0	0.5	11	0.2	-0.6	11.8	0.0	14.9
Fourth Quintile	11.2	43.9	-0.1	1.4	40	0.3	-0.9	19.9	0.1	20.7
Top Quintile	7.9	63.9	-2.8	98.3	3,428	7.9	1.7	62.3	2.1	28.1
All	11.1	29.3	-1.2	100.0	427	4.8	0.0	100.0	1.0	21.0
Addendum										
80-90	8.5	55.2	-0.2	2.6	173	0.8	-0.6	15.0	0.2	23.5
90-95	6.9	66.0	-0.4	3.0	415	1.3	-0.4	10.9	0.3	24.8
95-99	9.2	78.1	-1.6	14.3	2,642	4.8	0.0	14.5	1.2	25.8
Top 1 Percent	0.6	98.3	-9.1	78.4	70,724	19.7	2.7	21.9	6.3	37.9
Top 0.1 Percent	0.1	99.9	-12.1	41.6	419,532	21.6	1.5	10.8	7.8	43.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	23,196	28.5	8,395	5.4	378	1.2	8,017	6.5	4.5	
Second Quintile	19,667	24.2	21,310	11.7	1,791	4.9	19,519	13.4	8.4	
Middle Quintile	15,891	19.5	37,519	16.6	5,588	12.4	31,931	17.7	14.9	
Fourth Quintile	11,931	14.7	60,761	20.2	12,521	20.8	48,240	20.1	20.6	
Top Quintile	9,954	12.2	167,534	46.5	43,639	60.5	123,895	43.0	26.1	
All	81,336	100.0	44,116	100.0	8,823	100.0	35,293	100.0	20.0	
Addendum										
80-90	5,175	6.4	92,340	13.3	21,567	15.6	70,773	12.8	23.4	
90-95	2,512	3.1	131,560	9.2	32,153	11.3	99,407	8.7	24.4	
95-99	1,882	2.3	225,150	11.8	55,356	14.5	169,794	11.1	24.6	
Top 1 Percent	385	0.5	1,132,088	12.1	358,231	19.2	773,857	10.4	31.6	
Top 0.1 Percent	34	0.0	5,399,109	5.2	1,939,142	9.3	3,459,967	4.2	35.9	

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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(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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Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	7.7	16.4	-0.1	0.0	9	-1.2	0.0	-0.2	0.1	-4.7
Second Quintile	21.3	25.1	0.1	-0.1	-25	-0.8	-0.1	1.0	-0.1	7.6
Middle Quintile	22.6	40.3	0.0	-0.1	-13	-0.2	-0.3	4.9	0.0	13.0
Fourth Quintile	19.7	52.8	-0.1	0.7	56	0.3	-0.9	14.3	0.1	18.1
Top Quintile	14.6	72.1	-2.9	99.4	6,453	8.4	1.3	79.9	2.1	27.6
All	17.7	50.7	-1.9	100.0	2,165	6.6	0.0	100.0	1.5	23.8
Addendum										
80-90	14.6	66.1	-0.1	1.0	141	0.4	-0.9	14.8	0.1	21.5
90-95	19.3	68.4	-0.3	1.6	399	0.8	-0.7	12.0	0.2	23.3
95-99	12.1	83.8	-2.0	17.2	5,375	5.8	-0.2	19.5	1.5	26.7
Top 1 Percent	1.2	98.3	-7.4	79.6	95,264	17.3	3.0	33.6	5.2	35.1
Top 0.1 Percent	0.1	99.8	-9.5	43.1	507,505	19.3	1.8	16.6	6.4	39.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	4,463	7.6	15,631	0.8	-737	-0.2	16,368	1.1	-4.7	
Second Quintile	6,865	11.7	39,057	3.1	2,975	1.1	36,082	3.7	7.6	
Middle Quintile	11,932	20.3	64,653	8.9	8,423	5.2	56,230	10.0	13.0	
Fourth Quintile	15,574	26.5	104,032	18.8	18,784	15.2	85,248	19.8	18.1	
Top Quintile	19,635	33.4	302,339	68.7	77,103	78.6	225,236	65.9	25.5	
All	58,870	100.0	146,762	100.0	32,727	100.0	114,035	100.0	22.3	
Addendum										
80-90	9,415	16.0	149,979	16.3	32,148	15.7	117,831	16.5	21.4	
90-95	5,079	8.6	208,633	12.3	48,119	12.7	160,514	12.1	23.1	
95-99	4,077	6.9	367,942	17.4	92,884	19.7	275,057	16.7	25.2	
Top 1 Percent	1,065	1.8	1,845,234	22.7	552,410	30.5	1,292,823	20.5	29.9	
Top 0.1 Percent	108	0.2	7,994,782	10.0	2,636,735	14.8	5,358,047	8.7	33.0	

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) 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% \$13,687; 40% \$26,567; 60% \$44,163; 80% \$72,423; 90% \$104,181; 95% \$147,975; 99% \$384,375; 99.9% \$1,764,281.

(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 T12-0049
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	11.2	7.0	0.0	-3.0	-6	0.4	0.1	-8.4	0.0	-11.2
Second Quintile	32.8	7.8	0.3	-41.8	-85	-4.3	-0.6	9.9	-0.3	5.7
Middle Quintile	36.6	17.8	0.3	-34.7	-115	-1.4	-0.7	26.3	-0.2	15.1
Fourth Quintile	25.3	34.5	0.1	-11.1	-64	-0.4	-0.4	30.0	-0.1	19.7
Top Quintile	23.8	46.7	-1.7	190.0	2,432	5.0	1.6	42.2	1.3	26.4
All	25.1	14.4	-0.2	100.0	64	1.1	0.0	100.0	0.1	13.7
Addendum										
80-90	21.4	42.1	0.0	-1.4	-28	-0.1	-0.2	15.2	0.0	23.3
90-95	34.9	42.1	-0.1	2.0	137	0.3	0.0	6.1	0.1	23.8
95-99	25.0	62.9	-1.4	34.7	2,980	4.1	0.3	9.2	1.0	25.6
Top 1 Percent	1.2	97.9	-7.1	154.8	73,955	16.0	1.5	11.8	4.9	35.7
Top 0.1 Percent	0.3	99.6	-9.4	80.8	448,775	18.3	0.8	5.5	6.2	40.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	8,554	32.8	13,984	10.3	-1,562	-8.5	15,546	13.2	-11.2	
Second Quintile	8,234	31.5	33,302	23.5	1,997	10.4	31,305	25.6	6.0	
Middle Quintile	5,041	19.3	54,971	23.8	8,428	26.9	46,543	23.3	15.3	
Fourth Quintile	2,893	11.1	83,770	20.8	16,589	30.4	67,181	19.3	19.8	
Top Quintile	1,307	5.0	194,776	21.8	49,074	40.6	145,703	18.9	25.2	
All	26,121	100.0	44,620	100.0	6,041	100.0	38,579	100.0	13.5	
Addendum										
80-90	840	3.2	124,047	8.9	28,902	15.4	95,144	7.9	23.3	
90-95	238	0.9	171,264	3.5	40,642	6.1	130,622	3.1	23.7	
95-99	194	0.7	293,736	4.9	72,149	8.9	221,586	4.3	24.6	
Top 1 Percent	35	0.1	1,501,783	4.5	462,111	10.3	1,039,672	3.6	30.8	
Top 0.1 Percent	3	0.0	7,219,902	1.9	2,454,043	4.7	4,765,859	1.4	34.0	

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) 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% \$13,687; 40% \$26,567; 60% \$44,163; 80% \$72,423; 90% \$104,181; 95% \$147,975; 99% \$384,375; 99.9% \$1,764,281.

(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 T12-0049
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	11.4	7.2	0.0	-0.1	-3	0.2	0.1	-2.0	0.0	-14.4
Second Quintile	32.8	10.8	0.2	-1.5	-78	-3.5	-0.2	2.1	-0.2	5.7
Middle Quintile	36.4	23.8	0.2	-1.6	-91	-0.9	-0.6	9.3	-0.1	15.3
Fourth Quintile	28.2	42.0	0.0	0.1	3	0.0	-1.1	20.0	0.0	19.7
Top Quintile	24.0	62.8	-2.9	103.0	7,104	8.1	1.8	70.4	2.2	28.9
All	26.6	27.8	-1.4	100.0	1,151	5.4	0.0	100.0	1.1	22.0
Addendum										
80-90	22.3	57.5	-0.1	0.5	60	0.2	-0.8	15.4	0.0	23.0
90-95	43.1	48.1	-0.2	1.5	428	0.7	-0.5	10.6	0.2	24.4
95-99	10.4	87.4	-2.7	23.8	8,660	7.4	0.3	17.6	2.0	28.8
Top 1 Percent	0.9	98.7	-8.0	77.2	118,891	17.3	2.7	26.8	5.5	37.0
Top 0.1 Percent	*	99.9	-9.6	38.4	632,184	18.5	1.4	12.6	6.3	40.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,299	20.5	14,919	3.0	-2,146	-2.1	17,065	4.3	-14.4	
Second Quintile	10,995	21.9	37,962	8.1	2,259	2.3	35,703	9.6	6.0	
Middle Quintile	10,131	20.2	67,712	13.3	10,478	9.9	57,234	14.2	15.5	
Fourth Quintile	10,153	20.2	112,761	22.3	22,188	21.0	90,573	22.6	19.7	
Top Quintile	8,372	16.7	329,225	53.6	87,873	68.7	241,352	49.6	26.7	
All	50,185	100.0	102,460	100.0	21,343	100.0	81,118	100.0	20.8	
Addendum										
80-90	4,416	8.8	171,499	14.7	39,399	16.2	132,101	14.3	23.0	
90-95	1,992	4.0	245,849	9.5	59,462	11.1	186,387	9.1	24.2	
95-99	1,588	3.2	434,482	13.4	116,392	17.3	318,090	12.4	26.8	
Top 1 Percent	375	0.8	2,183,049	15.9	688,626	24.1	1,494,423	13.8	31.5	
Top 0.1 Percent	35	0.1	10,034,824	6.9	3,412,807	11.2	6,622,016	5.7	34.0	

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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(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 T12-0049
Administration's FY2013 Budget Proposals
Major Individual Income and Corporate Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.3	13.4	0.0	0.0	3	4.4	0.0	0.1	0.0	0.7
Second Quintile	1.2	35.8	-0.1	0.3	17	4.3	0.0	0.7	0.1	1.8
Middle Quintile	4.8	62.7	-0.2	1.1	68	2.8	-0.3	3.7	0.2	5.6
Fourth Quintile	6.2	76.8	-0.3	2.0	173	1.9	-0.9	10.1	0.2	11.9
Top Quintile	5.4	87.4	-3.8	96.5	7,618	12.2	1.2	85.4	2.9	26.5
All	3.4	54.1	-2.2	100.0	1,439	10.7	0.0	100.0	1.8	19.1
Addendum										
80-90	5.7	83.9	-0.5	2.8	487	2.6	-0.8	10.6	0.4	16.4
90-95	5.7	86.7	-0.7	2.9	911	2.9	-0.8	10.0	0.6	19.6
95-99	5.7	91.7	-1.9	13.1	4,485	6.8	-0.7	19.8	1.5	23.7
Top 1 Percent	0.6	98.5	-8.8	77.7	91,351	20.1	3.5	44.9	6.1	36.6
Top 0.1 Percent	0.1	99.8	-11.4	42.5	497,345	22.0	2.1	22.8	7.5	41.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2015 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	6,748	17.4	10,638	2.4	72	0.1	10,565	2.8	0.7
Second Quintile	9,924	25.5	22,647	7.4	388	0.7	22,259	8.8	1.7
Middle Quintile	8,724	22.4	44,646	12.8	2,422	4.0	42,224	14.6	5.4
Fourth Quintile	6,359	16.4	77,029	16.1	8,994	10.9	68,035	17.2	11.7
Top Quintile	7,090	18.2	263,589	61.4	62,227	84.2	201,362	56.7	23.6
All	38,882	100.0	78,233	100.0	13,483	100.0	64,750	100.0	17.2
Addendum									
80-90	3,205	8.2	117,227	12.4	18,757	11.5	98,469	12.5	16.0
90-95	1,775	4.6	166,728	9.7	31,734	10.7	134,994	9.5	19.0
95-99	1,634	4.2	296,750	15.9	65,945	20.6	230,804	15.0	22.2
Top 1 Percent	476	1.2	1,495,891	23.4	455,681	41.4	1,040,210	19.7	30.5
Top 0.1 Percent	48	0.1	6,639,891	10.5	2,263,802	20.7	4,376,089	8.3	34.1

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.

(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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(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.