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**Table T12-0062**  
**Administration's FY2013 Budget Proposals**  
**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	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	0.0	0	0.0	0	0.0	0.0	0	0.0	4.7
10-20	0.0	0	0.0	0	0.0	0.0	0	0.0	3.9
20-30	0.0	0	0.0	0	0.0	0.0	0	0.0	9.7
30-40	0.0	0	0.0	0	0.0	0.0	0	0.0	13.9
40-50	0.0	0	0.0	0	0.0	0.0	0	0.0	16.4
50-75	0.0	0	0.0	0	0.0	0.0	0	0.0	19.1
75-100	0.0	0	0.0	0	0.0	0.0	0	0.0	21.5
100-200	0.0	0	0.2	1,858	0.0	0.2	3	0.0	24.7
200-500	0.0	0	32.7	4,494	-0.7	25.1	1,468	0.5	28.0
500-1,000	0.0	0	81.2	9,818	-1.6	23.5	7,973	1.2	30.9
More than 1,000	0.0	0	87.2	39,253	-1.8	51.3	34,239	1.1	38.3
All	0.0	0	2.0	10,679	-0.4	100.0	214	0.3	23.9

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 22.7

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current law. Proposal would limit the value of certain tax expenditures for high income taxpayers to 28 percent and apply a similar limitation to the alternative minimum tax. The limitation would apply to all itemized deductions, tax-exempt interest, employer-sponsored health insurance (ESI), employee retirement contributions, and select above-the-line deductions. High income taxpayers are defined as those with taxable income above \$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). Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. 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 T12-0062**  
**Administration's FY2013 Budget Proposals**  
**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013<sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	4.7
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.6	0.0	3.9
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	9.7
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	2.9	0.0	13.9
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	3.5	0.0	16.4
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.5	0.0	19.1
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.7	0.0	21.5
100-200	0.0	0.2	0.0	0.2	3	0.0	-0.3	25.0	0.0	24.7
200-500	0.0	32.7	-0.7	25.1	1,468	1.8	0.1	17.3	0.5	28.0
500-1,000	0.0	81.2	-1.6	23.5	7,973	3.8	0.2	7.9	1.2	30.9
More than 1,000	0.0	87.2	-1.8	51.3	34,239	3.0	0.4	21.5	1.1	38.3
All	0.0	2.0	-0.4	100.0	214	1.3	0.0	100.0	0.3	23.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013<sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	272	0.2	5,493	1.3	4.7
10-20	27,359	16.5	15,205	3.5	589	0.6	14,616	4.4	3.9
20-30	20,377	12.3	25,480	4.3	2,466	1.8	23,014	5.1	9.7
30-40	16,959	10.2	35,896	5.1	4,988	3.0	30,908	5.7	13.9
40-50	13,305	8.0	46,141	5.1	7,566	3.5	38,575	5.6	16.4
50-75	22,765	13.7	63,142	11.9	12,062	9.7	51,081	12.7	19.1
75-100	14,636	8.8	89,268	10.9	19,150	9.9	70,118	11.2	21.5
100-200	20,881	12.6	139,817	24.3	34,465	25.3	105,352	23.9	24.7
200-500	6,084	3.7	292,655	14.8	80,428	17.2	212,227	14.1	27.5
500-1,000	1,051	0.6	696,116	6.1	207,438	7.7	488,677	5.6	29.8
More than 1,000	534	0.3	3,032,367	13.5	1,127,614	21.2	1,904,753	11.1	37.2
All	166,272	100.0	72,381	100.0	17,117	100.0	55,264	100.0	23.7

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

Number of AMT Taxpayers (millions). Baseline: 21.0

Proposal: 22.7

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would limit the value of certain tax expenditures for high income taxpayers to 28 percent and apply a similar limitation to the alternative minimum tax. The limitation would apply to all itemized deductions, tax-exempt interest, employer-sponsored health insurance (ESI), employee retirement contributions, and select above-the-line deductions. High income taxpayers are defined as those with taxable income above \$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). Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see

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(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.

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**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	7.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	6.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	12.6
30-40	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.5	0.0	16.1
40-50	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.8	0.0	19.9
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.5	0.0	22.7
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	11.6	0.0	25.8
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.8	0.0	27.3
200-500	0.0	50.7	-0.7	24.0	1,506	1.7	0.1	10.4	0.5	30.8
500-1,000	0.0	79.6	-1.7	20.5	7,797	3.3	0.1	4.6	1.1	35.6
More than 1,000	0.0	83.0	-2.2	55.5	37,602	3.1	0.3	13.3	1.3	42.9
All	0.0	0.7	-0.2	100.0	62	0.7	0.0	100.0	0.2	22.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	402	1.0	5,276	3.6	7.1
10-20	19,121	23.7	15,084	9.2	993	2.7	14,090	11.0	6.6
20-30	12,334	15.3	25,339	9.9	3,188	5.6	22,151	11.2	12.6
30-40	9,158	11.4	35,802	10.4	5,751	7.6	30,051	11.2	16.1
40-50	5,981	7.4	45,980	8.7	9,164	7.9	36,816	9.0	19.9
50-75	8,668	10.8	62,437	17.2	14,175	17.6	48,262	17.1	22.7
75-100	3,570	4.4	88,424	10.0	22,779	11.7	65,645	9.6	25.8
100-200	3,358	4.2	136,678	14.6	37,271	18.0	99,407	13.6	27.3
200-500	794	1.0	298,894	7.5	90,575	10.3	208,319	6.8	30.3
500-1,000	131	0.2	696,170	2.9	240,091	4.5	456,079	2.4	34.5
More than 1,000	74	0.1	2,952,272	6.9	1,228,986	13.0	1,723,286	5.2	41.6
All	80,622	100.0	39,043	100.0	8,643	100.0	30,400	100.0	22.1

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

\* Less than 0.05

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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 T12-0062**  
**Administration's FY2013 Budget Proposals**  
**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	3.0
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.4
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	6.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	10.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	11.5
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	5.3	0.0	15.8
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.5	0.0	19.6
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.4	28.5	0.0	24.1
200-500	0.0	29.3	-0.7	25.5	1,458	1.9	0.1	20.9	0.5	27.5
500-1,000	0.0	81.4	-1.6	24.5	8,061	4.0	0.2	9.5	1.2	30.3
More than 1,000	0.0	87.8	-1.7	50.0	33,064	3.0	0.4	25.1	1.1	37.5
All	0.0	4.5	-0.5	100.0	503	1.5	0.0	100.0	0.4	25.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	153	0.0	4,940	0.1	3.0
10-20	2,559	4.4	15,850	0.5	215	0.0	15,635	0.7	1.4
20-30	2,875	5.0	25,634	1.0	1,542	0.2	24,092	1.2	6.0
30-40	3,624	6.3	36,207	1.7	3,625	0.7	32,581	2.1	10.0
40-50	4,468	7.7	46,489	2.7	5,342	1.2	41,147	3.2	11.5
50-75	10,281	17.8	63,998	8.6	10,088	5.4	53,909	9.7	15.8
75-100	9,429	16.3	89,794	11.0	17,579	8.6	72,215	11.9	19.6
100-200	16,457	28.5	140,888	30.2	33,913	28.9	106,974	30.7	24.1
200-500	5,091	8.8	291,809	19.4	78,886	20.8	212,923	18.9	27.0
500-1,000	885	1.5	696,396	8.0	202,619	9.3	493,777	7.6	29.1
More than 1,000	440	0.8	2,988,320	17.1	1,087,435	24.8	1,900,886	14.6	36.4
All	57,802	100.0	132,789	100.0	33,420	100.0	99,369	100.0	25.2

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

\* Less than 0.05

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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.

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**Administration's FY2013 Budget Proposals**  
**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.8	0.0	-6.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.6	0.0	-5.0
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	3.1	0.0	4.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	9.8	0.0	11.7
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	11.6	0.0	16.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	25.3	0.0	19.6
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	16.9	0.0	22.6
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.1	18.9	0.0	25.2
200-500	0.0	38.1	-0.5	28.3	1,121	1.5	0.1	7.2	0.4	26.9
500-1,000	0.0	80.9	-1.2	23.3	5,811	3.0	0.1	2.9	0.9	29.4
More than 1,000	0.0	87.1	-1.5	48.4	26,434	2.4	0.2	7.5	0.9	38.8
All	0.0	0.3	-0.1	100.0	23	0.4	0.0	100.0	0.1	15.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	-436	-0.8	7,013	2.4	-6.6
10-20	5,398	21.4	15,312	8.2	-759	-2.6	16,071	10.2	-5.0
20-30	4,846	19.2	25,728	12.4	1,032	3.1	24,696	14.1	4.0
30-40	3,748	14.8	35,771	13.3	4,179	9.8	31,591	13.9	11.7
40-50	2,505	9.9	45,998	11.4	7,423	11.7	38,576	11.4	16.1
50-75	3,317	13.1	62,381	20.5	12,233	25.4	50,148	19.6	19.6
75-100	1,353	5.4	88,201	11.8	19,937	16.9	68,264	10.9	22.6
100-200	905	3.6	132,511	11.9	33,427	19.0	99,084	10.5	25.2
200-500	149	0.6	287,163	4.3	76,210	7.1	210,953	3.7	26.5
500-1,000	24	0.1	675,227	1.6	192,873	2.9	482,354	1.4	28.6
More than 1,000	11	0.0	2,859,898	3.1	1,083,917	7.4	1,775,981	2.3	37.9
All	25,256	100.0	39,986	100.0	6,316	100.0	33,670	100.0	15.8

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

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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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**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-10.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.7	0.0	-9.2
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.1
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	10.8
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.5	0.0	15.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.8	0.0	18.5
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.9	0.0	21.3
100-200	0.0	*	0.0	0.0	1	0.0	-0.4	28.7	0.0	24.8
200-500	0.0	32.6	-0.8	30.7	1,743	2.2	0.2	20.1	0.6	28.3
500-1,000	0.0	89.5	-1.9	26.7	9,280	4.4	0.3	8.9	1.3	31.9
More than 1,000	0.0	94.2	-1.8	42.6	32,209	2.9	0.3	21.0	1.1	38.7
All	0.0	3.0	-0.5	100.0	316	1.4	0.0	100.0	0.3	24.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013<sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	-652	-0.2	6,640	0.6	-10.9
10-20	5,658	11.5	15,525	1.9	-1,426	-0.7	16,951	2.8	-9.2
20-30	5,534	11.2	25,702	3.1	543	0.3	25,159	4.0	2.1
30-40	4,844	9.8	35,836	3.8	3,856	1.7	31,981	4.4	10.8
40-50	3,945	8.0	46,072	4.0	6,970	2.5	39,102	4.4	15.1
50-75	7,372	14.9	63,539	10.2	11,781	7.9	51,758	10.9	18.5
75-100	5,840	11.8	89,617	11.4	19,061	10.1	70,556	11.8	21.3
100-200	9,226	18.7	140,522	28.2	34,824	29.1	105,698	27.9	24.8
200-500	2,749	5.6	290,144	17.4	80,314	20.0	209,830	16.5	27.7
500-1,000	450	0.9	695,662	6.8	212,550	8.7	483,112	6.2	30.6
More than 1,000	206	0.4	2,943,211	13.2	1,106,267	20.7	1,836,943	10.9	37.6
All	49,418	100.0	93,026	100.0	22,351	100.0	70,675	100.0	24.0

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 law. Proposal would limit the value of certain tax expenditures for high income taxpayers to 28 percent and apply a similar limitation to the alternative minimum tax. The limitation would apply to all itemized deductions, tax-exempt interest, employer-sponsored health insurance (ESI), employee retirement contributions, and select above-the-line deductions. High income taxpayers are defined as those with taxable income above \$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). Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. 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 T12-0062**  
**Administration's FY2013 Budget Proposals**  
**Limit Itemized Deductions to 28 Percent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2013<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	1.0
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	3.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.5	0.0	5.8
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	7.1
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	7.3	0.0	12.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.0	0.0	15.9
100-200	0.0	0.1	0.0	0.1	1	0.0	-0.3	21.3	0.0	21.2
200-500	0.0	27.0	-0.4	14.0	890	1.1	-0.1	19.3	0.3	27.0
500-1,000	0.0	69.5	-1.3	18.6	6,351	3.0	0.1	9.8	0.9	31.6
More than 1,000	0.0	82.1	-2.2	67.3	42,299	3.5	0.6	29.9	1.4	40.2
All	0.0	1.7	-0.4	100.0	220	1.5	0.0	100.0	0.3	20.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013<sup>1</sup>**

Cash Income Level (thousands of 2011 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	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	60	0.0	6,702	1.0	0.9
10-20	8,603	23.2	15,150	5.0	150	0.2	14,999	6.1	1.0
20-30	4,956	13.4	25,187	4.7	762	0.7	24,425	5.8	3.0
30-40	3,838	10.4	35,853	5.2	2,093	1.5	33,760	6.2	5.8
40-50	2,823	7.6	46,514	5.0	3,301	1.8	43,213	5.8	7.1
50-75	5,216	14.1	63,113	12.5	7,541	7.4	55,571	13.8	12.0
75-100	3,053	8.2	88,974	10.3	14,117	8.1	74,856	10.9	15.9
100-200	3,858	10.4	139,885	20.5	29,638	21.6	110,247	20.2	21.2
200-500	1,285	3.5	298,833	14.6	79,907	19.4	218,926	13.4	26.7
500-1,000	239	0.7	698,342	6.4	214,228	9.7	484,113	5.5	30.7
More than 1,000	130	0.4	3,081,067	15.2	1,196,798	29.4	1,884,269	11.6	38.8
All	37,068	100.0	71,055	100.0	14,275	100.0	56,780	100.0	20.1

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 law. Proposal would limit the value of certain tax expenditures for high income taxpayers to 28 percent and apply a similar limitation to the alternative minimum tax. The limitation would apply to all itemized deductions, tax-exempt interest, employer-sponsored health insurance (ESI), employee retirement contributions, and select above-the-line deductions. High income taxpayers are defined as those with taxable income above \$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). Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. 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.