

Table T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2013 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 (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	0.0	0	8.0	772	-0.6	17.2	62	0.6	2.5
Second Quintile	0.0	0	12.5	660	-0.3	19.9	82	0.3	8.5
Middle Quintile	*	**	16.9	517	-0.2	18.3	87	0.2	15.4
Fourth Quintile	0.1	-142	22.2	507	-0.2	19.7	113	0.1	19.0
Top Quintile	16.4	-278	23.2	880	-0.1	24.5	159	0.1	25.9
All	2.4	-277	15.3	657	-0.2	100.0	94	0.1	20.9
Addendum									
80-90	0.8	-168	29.1	919	-0.3	20.7	266	0.2	21.7
90-95	8.8	-225	27.4	852	-0.1	8.1	214	0.1	23.0
95-99	58.9	-315	8.5	693	0.1	-3.9	-127	0.0	25.0
Top 1 Percent	41.6	-145	2.8	488	0.0	-0.4	-47	0.0	31.5
Top 0.1 Percent	13.2	-129	0.7	190	0.0	0.0	-16	0.0	35.1

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.3

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). For a description of TPC's current law and current policy baselines, see

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

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2013 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	0.0	8.0	-0.6	17.2	62	33.3	0.1	0.4	0.6	2.5
Second Quintile	0.0	12.5	-0.3	19.9	82	3.6	0.1	3.5	0.3	8.5
Middle Quintile	*	16.9	-0.2	18.3	87	1.1	0.1	10.2	0.2	15.4
Fourth Quintile	0.1	22.2	-0.2	19.7	113	0.7	0.0	17.9	0.1	19.0
Top Quintile	16.4	23.2	-0.1	24.5	159	0.2	-0.3	67.8	0.1	25.9
All	2.4	15.3	-0.2	100.0	94	0.6	0.0	100.0	0.1	20.9
Addendum										
80-90	0.8	29.1	-0.3	20.7	266	0.9	0.0	14.2	0.2	21.7
90-95	8.8	27.4	-0.1	8.1	214	0.5	0.0	10.5	0.1	23.0
95-99	58.9	8.5	0.1	-3.9	-127	-0.2	-0.1	16.2	0.0	25.0
Top 1 Percent	41.6	2.8	0.0	-0.4	-47	0.0	-0.2	26.9	0.0	31.5
Top 0.1 Percent	13.2	0.7	0.0	0.0	-16	0.0	-0.1	13.7	0.0	35.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013 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	43,362	26.1	10,122	3.7	186	0.3	9,936	4.5	1.8
Second Quintile	37,681	22.7	27,586	8.6	2,257	3.4	25,329	10.0	8.2
Middle Quintile	32,699	19.7	50,739	13.8	7,723	10.1	43,016	14.7	15.2
Fourth Quintile	27,208	16.4	87,197	19.7	16,407	17.9	70,790	20.2	18.8
Top Quintile	24,067	14.5	272,779	54.6	70,597	68.1	202,182	51.0	25.9
All	166,272	100.0	72,381	100.0	15,007	100.0	57,375	100.0	20.7
Addendum									
80-90	12,130	7.3	136,031	13.7	29,206	14.2	106,824	13.6	21.5
90-95	5,919	3.6	193,370	9.5	44,344	10.5	149,026	9.3	22.9
95-99	4,805	2.9	338,609	13.5	84,748	16.3	253,862	12.8	25.0
Top 1 Percent	1,213	0.7	1,767,267	17.8	556,648	27.1	1,210,619	15.4	31.5
Top 0.1 Percent	124	0.1	7,871,135	8.1	2,763,710	13.8	5,107,426	6.7	35.1

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.3

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). For a description of TPC's current law and current policy baselines, see

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

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	10.7	-0.9	19.0	82	-34.7	0.1	-0.2	0.9	-1.6
Second Quintile	0.0	12.7	-0.4	19.6	88	5.6	0.1	2.3	0.4	6.7
Middle Quintile	0.0	13.5	-0.2	15.6	74	1.2	0.1	8.2	0.2	13.8
Fourth Quintile	0.1	20.8	-0.2	24.3	124	0.9	0.0	17.1	0.2	18.5
Top Quintile	12.8	20.3	-0.1	21.1	107	0.2	-0.3	72.5	0.1	25.7
All	2.4	15.3	-0.2	100.0	94	0.6	0.0	100.0	0.1	20.9
Addendum										
80-90	1.0	25.3	-0.2	19.1	193	0.8	0.0	15.4	0.2	21.7
90-95	8.4	20.9	-0.1	5.1	102	0.3	0.0	11.7	0.1	23.1
95-99	41.2	11.3	0.0	-2.5	-64	-0.1	-0.1	17.4	0.0	24.8
Top 1 Percent	42.6	3.1	0.0	-0.5	-56	0.0	-0.2	27.9	0.0	31.2
Top 0.1 Percent	14.2	0.8	0.0	0.0	-16	0.0	-0.1	14.3	0.0	35.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	36,065	21.7	9,430	2.8	-237	-0.3	9,667	3.7	-2.5
Second Quintile	34,713	20.9	24,668	7.1	1,573	2.2	23,095	8.4	6.4
Middle Quintile	33,034	19.9	44,764	12.3	6,119	8.1	38,646	13.4	13.7
Fourth Quintile	30,538	18.4	76,122	19.3	13,948	17.1	62,174	19.9	18.3
Top Quintile	30,666	18.4	230,715	58.8	59,250	72.8	171,464	55.1	25.7
All	166,272	100.0	72,381	100.0	15,007	100.0	57,375	100.0	20.7
Addendum									
80-90	15,414	9.3	115,967	14.9	24,960	15.4	91,007	14.7	21.5
90-95	7,701	4.6	165,716	10.6	38,129	11.8	127,587	10.3	23.0
95-99	6,085	3.7	289,779	14.7	71,924	17.5	217,855	13.9	24.8
Top 1 Percent	1,466	0.9	1,533,122	18.7	478,016	28.1	1,055,105	16.2	31.2
Top 0.1 Percent	148	0.1	6,917,786	8.5	2,426,574	14.4	4,491,212	7.0	35.1

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.3

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). 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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	7.1	-0.8	29.4	56	17.2	0.2	1.4	0.8	5.1
Second Quintile	0.0	6.7	-0.3	20.1	45	3.0	0.1	4.9	0.2	8.3
Middle Quintile	0.0	10.2	-0.2	19.4	54	1.1	0.1	12.5	0.2	14.7
Fourth Quintile	0.1	14.8	-0.1	15.7	59	0.5	0.0	20.6	0.1	20.2
Top Quintile	5.3	16.5	-0.1	14.8	68	0.2	-0.3	60.4	0.1	26.3
All	0.6	9.8	-0.2	100.0	55	0.7	0.0	100.0	0.1	19.9
Addendum										
80-90	0.2	18.5	-0.2	11.2	96	0.5	0.0	15.7	0.1	23.1
90-95	0.4	15.6	-0.1	3.1	58	0.2	-0.1	10.8	0.1	24.4
95-99	19.0	14.5	0.0	1.0	23	0.1	-0.1	14.3	0.0	24.7
Top 1 Percent	40.8	3.4	0.0	-0.5	-55	0.0	-0.1	19.6	0.0	32.6
Top 0.1 Percent	14.1	0.5	0.0	0.0	-14	0.0	-0.1	10.0	0.0	37.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	23,198	28.8	7,467	5.5	324	1.2	7,144	6.6	4.3
Second Quintile	19,587	24.3	19,069	11.9	1,530	4.8	17,539	13.6	8.0
Middle Quintile	15,802	19.6	33,699	16.9	4,898	12.4	28,801	18.0	14.5
Fourth Quintile	11,719	14.5	54,610	20.3	10,982	20.7	43,628	20.3	20.1
Top Quintile	9,604	11.9	150,063	45.8	39,349	60.7	110,714	42.1	26.2
All	80,622	100.0	39,043	100.0	7,722	100.0	31,322	100.0	19.8
Addendum									
80-90	5,116	6.4	83,160	13.5	19,150	15.7	64,009	13.0	23.0
90-95	2,332	2.9	118,552	8.8	28,921	10.8	89,631	8.3	24.4
95-99	1,790	2.2	202,277	11.5	49,927	14.4	152,351	10.8	24.7
Top 1 Percent	365	0.5	1,033,246	12.0	337,278	19.8	695,968	10.1	32.6
Top 0.1 Percent	33	0.0	4,968,941	5.3	1,873,525	10.0	3,095,416	4.1	37.7

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). 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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹
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	0.0	18.4	-0.9	7.6	132	-16.1	0.0	-0.2	0.9	-4.9
Second Quintile	0.0	21.9	-0.5	13.0	149	6.9	0.1	0.9	0.4	6.6
Middle Quintile	0.0	15.4	-0.2	11.8	78	1.1	0.0	5.1	0.1	12.7
Fourth Quintile	*	25.4	-0.2	33.1	164	1.0	0.1	14.8	0.2	17.5
Top Quintile	16.1	23.1	-0.1	34.3	136	0.2	-0.2	79.3	0.1	25.5
All	5.4	21.6	-0.1	100.0	133	0.5	0.0	100.0	0.1	22.2
Addendum										
80-90	1.1	30.6	-0.3	31.9	266	0.9	0.1	15.4	0.2	21.1
90-95	11.2	23.8	-0.1	8.4	128	0.3	0.0	12.7	0.1	22.7
95-99	49.5	10.3	0.0	-5.2	-100	-0.1	-0.1	19.4	0.0	24.8
Top 1 Percent	42.9	3.2	0.0	-0.8	-57	0.0	-0.2	31.7	0.0	30.7
Top 0.1 Percent	14.1	0.9	0.0	0.0	-18	0.0	-0.1	16.0	0.0	34.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	4,398	7.6	14,027	0.8	-822	-0.2	14,849	1.1	-5.9
Second Quintile	6,664	11.5	35,110	3.1	2,150	0.9	32,960	3.7	6.1
Middle Quintile	11,624	20.1	58,324	8.8	7,316	5.0	51,007	9.9	12.5
Fourth Quintile	15,415	26.7	93,246	18.7	16,192	14.7	77,054	19.9	17.4
Top Quintile	19,298	33.4	274,004	68.9	69,792	79.5	204,212	65.9	25.5
All	57,802	100.0	132,789	100.0	29,322	100.0	103,467	100.0	22.1
Addendum									
80-90	9,190	15.9	135,542	16.2	28,308	15.4	107,233	16.5	20.9
90-95	5,048	8.7	188,768	12.4	42,629	12.7	146,139	12.3	22.6
95-99	4,018	7.0	331,401	17.4	82,402	19.5	248,998	16.7	24.9
Top 1 Percent	1,042	1.8	1,686,659	22.9	518,575	31.9	1,168,084	20.4	30.8
Top 0.1 Percent	106	0.2	7,429,691	10.3	2,561,563	16.0	4,868,128	8.6	34.5

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). 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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	16.7	-0.9	31.1	132	-8.6	1.1	-9.0	1.1	-11.2
Second Quintile	0.0	20.2	-0.5	33.4	145	13.1	0.7	7.8	0.5	4.2
Middle Quintile	0.0	20.8	-0.3	19.0	137	1.9	-0.2	27.2	0.3	14.7
Fourth Quintile	0.1	23.1	-0.3	15.6	197	1.4	-0.4	31.1	0.3	19.3
Top Quintile	17.7	11.4	0.0	0.5	14	0.0	-1.2	42.8	0.0	25.0
All	0.9	19.0	-0.4	100.0	139	2.8	0.0	100.0	0.4	12.8
Addendum										
80-90	4.3	12.0	-0.1	1.0	42	0.2	-0.4	16.1	0.0	22.8
90-95	26.9	15.5	0.0	0.1	22	0.1	-0.2	6.4	0.0	23.5
95-99	59.8	5.4	0.1	-0.5	-100	-0.2	-0.3	9.1	0.0	23.8
Top 1 Percent	47.9	0.3	0.0	-0.1	-70	0.0	-0.3	11.2	0.0	31.8
Top 0.1 Percent	11.7	0.8	0.0	0.0	-10	0.0	-0.2	5.3	0.0	35.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	8,232	32.6	12,526	10.2	-1,538	-10.1	14,064	13.1	-12.3
Second Quintile	8,034	31.8	29,745	23.7	1,110	7.1	28,634	26.0	3.7
Middle Quintile	4,869	19.3	49,199	23.7	7,075	27.4	42,124	23.2	14.4
Fourth Quintile	2,769	11.0	75,439	20.7	14,328	31.5	61,111	19.1	19.0
Top Quintile	1,263	5.0	175,207	21.9	43,785	44.0	131,422	18.8	25.0
All	25,256	100.0	39,986	100.0	4,980	100.0	35,006	100.0	12.5
Addendum									
80-90	814	3.2	111,657	9.0	25,454	16.5	86,202	7.9	22.8
90-95	230	0.9	154,037	3.5	36,176	6.6	117,861	3.1	23.5
95-99	186	0.7	266,330	4.9	63,415	9.4	202,915	4.3	23.8
Top 1 Percent	33	0.1	1,361,869	4.5	433,369	11.5	928,500	3.5	31.8
Top 0.1 Percent	3	0.0	6,471,563	1.9	2,307,639	5.4	4,163,923	1.4	35.7

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). 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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	22.1	-1.1	17.5	167	-7.9	0.2	-2.1	1.3	-14.6
Second Quintile	0.0	26.5	-0.6	21.1	187	15.6	0.2	1.6	0.6	4.1
Middle Quintile	0.0	22.8	-0.3	14.0	134	1.5	0.1	9.6	0.2	14.9
Fourth Quintile	0.2	32.7	-0.3	27.8	267	1.4	0.1	20.4	0.3	19.2
Top Quintile	25.7	25.9	-0.1	19.2	220	0.3	-0.5	70.4	0.1	26.7
All	4.4	26.0	-0.3	100.0	194	1.0	0.0	100.0	0.2	20.6
Addendum										
80-90	3.4	36.5	-0.4	20.1	438	1.3	0.0	16.3	0.3	22.6
90-95	31.0	23.8	-0.1	2.7	132	0.3	-0.1	11.0	0.1	23.8
95-99	77.8	5.2	0.1	-3.5	-211	-0.2	-0.2	17.3	-0.1	26.3
Top 1 Percent	39.1	2.1	0.0	-0.1	-35	0.0	-0.3	25.7	0.0	32.4
Top 0.1 Percent	9.6	0.4	0.0	0.0	-9	0.0	-0.1	12.1	0.0	35.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	10,088	20.4	13,356	2.9	-2,113	-2.3	15,468	4.3	-15.8
Second Quintile	10,789	21.8	33,957	8.0	1,197	1.4	32,760	9.7	3.5
Middle Quintile	10,009	20.3	60,740	13.2	8,904	9.5	51,836	14.2	14.7
Fourth Quintile	9,950	20.1	101,182	21.9	19,153	20.4	82,029	22.3	18.9
Top Quintile	8,349	16.9	298,935	54.3	79,504	70.9	219,430	50.0	26.6
All	49,418	100.0	93,026	100.0	18,948	100.0	74,078	100.0	20.4
Addendum									
80-90	4,396	8.9	154,877	14.8	34,596	16.2	120,282	14.4	22.3
90-95	1,981	4.0	221,864	9.6	52,561	11.1	169,303	9.2	23.7
95-99	1,589	3.2	392,402	13.6	103,302	17.5	289,099	12.6	26.3
Top 1 Percent	382	0.8	1,966,324	16.4	636,612	26.0	1,329,713	13.9	32.4
Top 0.1 Percent	35	0.1	9,174,185	7.0	3,262,939	12.3	5,911,246	5.7	35.6

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

* Less than 0.05

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current policy. Proposal is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). For a description of TPC's current law and current policy baselines, <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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0069
Administration's FY2013 Budget Proposals
Administration's Baseline
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.4	0.0	1.9	3	4.0	0.0	0.1	0.0	0.7
Second Quintile	0.0	0.6	0.0	6.2	5	1.7	0.0	0.7	0.0	1.6
Middle Quintile	0.0	3.3	0.0	8.8	9	0.4	0.0	3.7	0.0	5.0
Fourth Quintile	0.0	16.8	-0.1	32.2	41	0.5	0.0	11.0	0.1	11.1
Top Quintile	7.8	20.0	0.0	50.8	60	0.1	-0.1	84.5	0.0	23.7
All	1.5	7.6	0.0	100.0	22	0.2	0.0	100.0	0.0	17.1
Addendum										
80-90	0.1	23.8	-0.1	33.3	86	0.5	0.0	11.7	0.1	15.7
90-95	0.6	21.1	-0.1	19.1	89	0.3	0.0	11.1	0.1	18.8
95-99	22.4	15.3	0.0	1.5	8	0.0	0.0	20.3	0.0	22.1
Top 1 Percent	41.9	4.3	0.0	-3.0	-58	0.0	-0.1	41.3	0.0	31.6
Top 0.1 Percent	19.5	1.6	0.0	-0.1	-21	0.0	0.0	21.9	0.0	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 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	5,988	16.2	9,531	2.2	66	0.1	9,464	2.6	0.7
Second Quintile	9,396	25.4	20,198	7.2	316	0.7	19,882	8.6	1.6
Middle Quintile	8,334	22.5	40,053	12.7	1,982	3.7	38,071	14.5	5.0
Fourth Quintile	6,402	17.3	69,759	17.0	7,708	11.0	62,051	18.2	11.1
Top Quintile	6,913	18.7	232,751	61.1	55,102	84.6	177,649	56.2	23.7
All	37,068	100.0	71,055	100.0	12,153	100.0	58,902	100.0	17.1
Addendum									
80-90	3,175	8.6	105,683	12.7	16,544	11.7	89,139	13.0	15.7
90-95	1,753	4.7	152,604	10.2	28,593	11.1	124,010	10.0	18.7
95-99	1,557	4.2	266,474	15.8	58,862	20.3	207,612	14.8	22.1
Top 1 Percent	427	1.2	1,382,440	22.4	436,520	41.4	945,919	18.5	31.6
Top 0.1 Percent	44	0.1	6,274,992	10.4	2,254,392	21.9	4,020,600	8.1	35.9

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 is the adjusted baseline from the Administration's FY2013 Budget. It would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend all provisions of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28, 33, and 35 percent brackets, the elimination of PEP and Pease, the 0%/15% rate structure on capital gains and qualified dividends, the \$1,000 child tax credit, the higher maximum credit amount for the child and dependent care tax credit, and education tax benefits; c) extend the \$3,000 (not indexed) refundability threshold for the child tax credit; and d) set the estate tax at its 2012 level (\$5M exemption (indexed) and a 45% rate). 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% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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.