

Table T12-0084
H.R. 9: The Small Business Tax Cut Act
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table

Cash Income Level (thousands of 2011 dollars) ²	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.1	-2	-1.3	0.0	0.1	0.0	2.1
10-20	0.0	0.2	-3	-1.2	0.0	0.3	0.0	1.8
20-30	0.0	0.4	-9	-0.5	0.0	1.6	0.0	6.9
30-40	0.1	0.6	-15	-0.4	0.1	3.0	0.0	11.2
40-50	0.1	0.6	-19	-0.3	0.1	3.8	0.0	13.9
50-75	0.1	1.6	-37	-0.4	0.2	9.2	-0.1	16.6
75-100	0.1	2.1	-70	-0.4	0.2	9.9	-0.1	18.9
100-200	0.2	10.6	-258	-0.8	0.3	26.4	-0.2	22.6
200-500	0.8	21.6	-1,703	-2.2	-0.1	19.1	-0.6	25.1
500-1,000	1.1	13.1	-5,998	-3.4	-0.1	7.4	-0.9	24.3
More than 1,000	2.0	49.0	-44,635	-4.8	-0.6	19.2	-1.4	27.6
All	0.5	100.0	-277	-2.0	0.0	100.0	-0.4	19.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2011 dollars) ²	Tax Units ³		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	23,654	14.3	6,045	1.2	130	0.1	5,915	1.5	2.1
10-20	28,341	17.2	15,232	3.7	272	0.3	14,959	4.6	1.8
20-30	20,820	12.6	25,240	4.6	1,742	1.5	23,498	5.3	6.9
30-40	17,491	10.6	35,253	5.3	3,964	3.0	31,290	6.0	11.2
40-50	13,844	8.4	45,338	5.4	6,331	3.7	39,007	5.9	14.0
50-75	20,187	12.2	63,169	11.0	10,507	9.0	52,662	11.6	16.6
75-100	13,838	8.4	87,271	10.5	16,524	9.7	70,747	10.6	18.9
100-200	18,707	11.3	143,999	23.3	32,804	26.1	111,195	22.6	22.8
200-500	5,808	3.5	301,476	15.2	77,301	19.1	224,175	14.2	25.6
500-1,000	1,003	0.6	700,511	6.1	176,045	7.5	524,466	5.7	25.1
More than 1,000	503	0.3	3,175,826	13.8	921,783	19.7	2,254,043	12.3	29.0
All	165,201	100.0	69,939	100.0	14,224	100.0	55,715	100.0	20.3

Sources: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3) and Joint Committee on Taxation.

Number of AMT Taxpayers (millions). Baseline: 31.2

Proposal: 31.1

Calendar year. Baseline is current law. Proposal is H.R. 9, which provides a deduction for up to 20 percent of qualified domestic small business income. For a detailed description of the plan and TPC's modeling assumptions, see <http://www.taxpolicycenter.org/taxtopics/HR9-Small-Business-Tax-Act.cfm>. 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.