

Table T12-0154
Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile, 2013 ¹
Summary Table

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	37.9	-708	0.0	0	2.1	4.3	-269	-2.0	2.6
Second Quintile	78.9	-952	*	**	2.3	10.2	-750	-2.1	8.7
Middle Quintile	93.5	-1,321	0.0	0	2.3	14.6	-1,222	-1.9	13.8
Fourth Quintile	98.8	-2,346	0.0	0	2.7	21.8	-2,291	-2.2	16.2
Top Quintile	99.0	-6,017	0.5	16,218	2.6	49.1	-5,677	-1.9	23.6
All	76.8	-2,241	0.1	15,405	2.5	100.0	-1,672	-2.0	18.4
Addendum									
80-90	99.6	-4,324	*	**	3.4	18.3	-4,227	-2.7	18.3
90-95	99.4	-5,633	0.2	2,801	3.3	11.7	-5,461	-2.6	19.4
95-99	98.9	-9,477	0.6	3,254	3.4	15.5	-8,983	-2.6	22.2
Top 1 Percent	90.9	-11,600	7.2	22,960	0.7	3.5	-8,056	-0.4	31.6
Top 0.1 Percent	76.7	-13,113	22.4	64,111	-0.1	-0.2	4,171	0.1	33.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 21.7

Proposal: 3.6

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Tax units with negative income are excluded from the lowest income class but are included in the totals. For a description of income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The 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 2012 dollars): 20% \$24,125; 40% \$48,424; 60% \$80,181; 80% \$133,185; 90% \$180,192; 95% \$252,055; 99% \$596,998; 99.9% \$2,858,701.

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

(5) After-tax income is 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 income.

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Distribution of Federal Tax Change by Income Percentile, 2013 ¹
Detail Table

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	37.9	0.0	2.1	4.3	-269	-43.7	-0.4	0.6	-2.0	2.6
Second Quintile	78.9	*	2.3	10.2	-750	-19.3	-0.5	4.7	-2.1	8.7
Middle Quintile	93.5	0.0	2.3	14.6	-1,222	-12.2	-0.3	11.5	-1.9	13.8
Fourth Quintile	98.8	0.0	2.7	21.8	-2,291	-11.9	-0.4	17.7	-2.2	16.2
Top Quintile	99.0	0.5	2.6	49.1	-5,677	-7.6	1.6	65.4	-1.9	23.6
All	76.8	0.1	2.5	100.0	-1,672	-9.9	0.0	100.0	-2.0	18.4
Addendum										
80-90	99.6	*	3.4	18.3	-4,227	-12.9	-0.5	13.6	-2.7	18.3
90-95	99.4	0.2	3.3	11.7	-5,461	-11.8	-0.2	9.6	-2.6	19.4
95-99	98.9	0.6	3.4	15.5	-8,983	-10.3	-0.1	14.8	-2.6	22.2
Top 1 Percent	90.9	7.2	0.7	3.5	-8,056	-1.4	2.4	27.5	-0.4	31.6
Top 0.1 Percent	76.7	22.4	-0.1	-0.2	4,171	0.2	1.4	13.7	0.1	33.7

Baseline Distribution of Income and Federal Taxes
by Income Percentile, 2013 ¹

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	41,971	26.5	13,406	4.3	616	1.0	12,790	5.1	4.6
Second Quintile	35,970	22.7	36,245	9.9	3,895	5.2	32,351	11.1	10.8
Middle Quintile	31,622	20.0	63,644	15.3	9,998	11.8	53,646	16.2	15.7
Fourth Quintile	25,162	15.9	104,502	20.0	19,266	18.1	85,236	20.5	18.4
Top Quintile	22,869	14.5	292,311	50.9	74,718	63.8	217,592	47.5	25.6
All	158,260	100.0	83,068	100.0	16,925	100.0	66,143	100.0	20.4
Addendum									
80-90	11,472	7.3	155,802	13.6	32,783	14.0	123,019	13.5	21.0
90-95	5,670	3.6	210,881	9.1	46,316	9.8	164,565	8.9	22.0
95-99	4,576	2.9	351,008	12.2	86,936	14.9	264,072	11.5	24.8
Top 1 Percent	1,151	0.7	1,820,417	15.9	583,942	25.1	1,236,475	13.6	32.1
Top 0.1 Percent	117	0.1	8,392,360	7.5	2,820,368	12.4	5,571,992	6.2	33.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 21.7

Proposal: 3.6

* Less than 0.05

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. 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 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 2012 dollars): 20% \$24,125; 40% \$48,424; 60% \$80,181; 80% \$133,185; 90% \$180,192; 95% \$252,055; 99% \$596,998; 99.9% \$2,858,701.

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

(5) After-tax income is 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 income.

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Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013¹
Detail Table

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	39.0	0.0	3.4	5.5	-419	-152.6	-0.6	-0.2	-3.4	-1.2
Second Quintile	66.9	*	2.7	10.0	-810	-27.6	-0.7	2.9	-2.5	6.5
Middle Quintile	89.2	*	2.2	12.6	-1,075	-13.5	-0.4	8.9	-1.9	12.3
Fourth Quintile	98.2	0.0	2.6	21.1	-1,877	-11.5	-0.3	17.8	-2.1	16.1
Top Quintile	98.8	0.4	2.5	50.7	-4,563	-7.3	2.0	70.5	-1.8	23.4
All	76.8	0.1	2.5	100.0	-1,672	-9.9	0.0	100.0	-2.0	18.4
Addendum										
80-90	99.1	0.0	2.9	16.8	-3,039	-11.1	-0.2	14.8	-2.3	18.3
90-95	99.4	*	3.1	12.2	-4,302	-10.7	-0.1	11.2	-2.4	19.9
95-99	98.8	0.5	3.3	16.7	-7,568	-10.2	-0.1	16.1	-2.5	22.0
Top 1 Percent	91.5	6.6	0.9	4.9	-9,453	-1.9	2.3	28.4	-0.6	31.3
Top 0.1 Percent	77.5	21.5	0.0	-0.1	1,776	0.1	1.4	14.3	0.0	33.7

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013¹

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	34,769	22.0	12,518	3.3	275	0.4	12,244	4.1	2.2	
Second Quintile	32,569	20.6	32,468	8.0	2,935	3.6	29,534	9.2	9.0	
Middle Quintile	31,107	19.7	56,462	13.4	7,995	9.3	48,467	14.4	14.2	
Fourth Quintile	29,758	18.8	89,808	20.3	16,308	18.1	73,500	20.9	18.2	
Top Quintile	29,391	18.6	247,408	55.3	62,482	68.6	184,926	51.9	25.3	
All	158,260	100.0	83,068	100.0	16,925	100.0	66,143	100.0	20.4	
Addendum										
80-90	14,652	9.3	133,237	14.9	27,472	15.0	105,765	14.8	20.6	
90-95	7,515	4.8	181,507	10.4	40,338	11.3	141,169	10.1	22.2	
95-99	5,851	3.7	302,672	13.5	74,044	16.2	228,629	12.8	24.5	
Top 1 Percent	1,373	0.9	1,590,841	16.6	507,982	26.0	1,082,858	14.2	31.9	
Top 0.1 Percent	139	0.1	7,397,802	7.8	2,488,836	12.9	4,908,967	6.5	33.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 21.7

Proposal: 3.6

* Less than 0.05

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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(3) The 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 2012 dollars): 20% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

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

(5) After-tax income is income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013 ¹
Detail Table - Single Tax Units

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	24.3	0.0	1.4	5.1	-125	-21.3	-0.3	1.7	-1.3	4.7
Second Quintile	54.9	*	1.2	8.5	-265	-10.8	-0.2	6.5	-1.1	9.0
Middle Quintile	90.0	*	1.3	11.5	-459	-7.2	0.2	13.6	-1.1	14.3
Fourth Quintile	98.0	0.0	1.7	18.1	-849	-6.7	0.4	23.1	-1.3	18.4
Top Quintile	98.4	0.2	3.2	56.8	-3,729	-8.7	-0.2	55.0	-2.3	24.6
All	63.7	*	2.1	100.0	-743	-8.4	0.0	100.0	-1.7	18.2
Addendum										
80-90	98.5	0.0	2.6	15.2	-1,891	-9.0	-0.1	14.1	-2.0	20.5
90-95	98.9	0.0	3.5	13.1	-3,448	-10.8	-0.3	9.9	-2.7	21.9
95-99	98.8	*	4.7	20.5	-7,158	-13.0	-0.7	12.5	-3.4	23.0
Top 1 Percent	91.9	5.2	2.1	8.1	-14,645	-3.9	0.9	18.5	-1.4	33.8
Top 0.1 Percent	76.5	22.3	-0.2	-0.4	7,021	0.4	0.9	9.7	0.1	36.8

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013 ¹

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	21,632	30.0	9,749	6.6	587	2.0	9,162	7.7	6.0
Second Quintile	17,103	23.7	24,450	13.1	2,468	6.6	21,982	14.6	10.1
Middle Quintile	13,372	18.6	41,483	17.3	6,388	13.4	35,095	18.3	15.4
Fourth Quintile	11,409	15.8	64,084	22.8	12,636	22.7	51,449	22.9	19.7
Top Quintile	8,154	11.3	159,695	40.7	43,054	55.2	116,641	37.1	27.0
All	72,035	100.0	44,475	100.0	8,834	100.0	35,641	100.0	19.9
Addendum									
80-90	4,293	6.0	93,366	12.5	21,023	14.2	72,343	12.1	22.5
90-95	2,037	2.8	129,733	8.3	31,866	10.2	97,867	7.8	24.6
95-99	1,529	2.1	208,423	9.9	54,987	13.2	153,436	9.1	26.4
Top 1 Percent	295	0.4	1,078,755	9.9	378,876	17.6	699,879	8.1	35.1
Top 0.1 Percent	29	0.0	5,264,934	4.8	1,930,527	8.9	3,334,408	3.8	36.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

* Less than 0.05

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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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 income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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Detail Table - Married Tax Units Filing Jointly

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	42.4	0.0	4.8	2.4	-839	-167.4	-0.2	-0.1	-4.6	-1.9
Second Quintile	68.8	0.0	3.7	6.8	-1,496	-38.7	-0.5	1.1	-3.4	5.3
Middle Quintile	84.6	0.0	2.5	11.1	-1,548	-17.0	-0.5	5.7	-2.2	10.6
Fourth Quintile	98.1	0.0	2.9	22.8	-2,611	-13.7	-0.7	15.0	-2.4	14.9
Top Quintile	99.2	0.3	2.3	56.8	-5,023	-7.1	2.0	78.2	-1.8	23.0
All	87.0	0.1	2.6	100.0	-2,877	-9.5	0.0	100.0	-2.0	19.3
Addendum										
80-90	99.4	0.0	2.9	19.5	-3,592	-11.8	-0.4	15.3	-2.4	17.6
90-95	99.7	0.0	2.9	13.9	-4,698	-10.7	-0.2	12.1	-2.3	19.2
95-99	99.5	0.1	3.1	18.6	-7,920	-9.7	-0.1	18.1	-2.3	21.6
Top 1 Percent	92.4	6.1	0.7	4.9	-8,295	-1.5	2.6	32.7	-0.5	30.9
Top 0.1 Percent	78.3	20.7	0.0	0.0	-173	0.0	1.5	16.1	0.0	33.2

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013 ¹

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	5,058	8.3	18,078	1.1	501	0.1	17,576	1.3	2.8
Second Quintile	7,907	13.0	44,396	4.1	3,861	1.7	40,535	4.7	8.7
Middle Quintile	12,517	20.6	71,333	10.3	9,114	6.2	62,219	11.4	12.8
Fourth Quintile	15,281	25.2	110,309	19.5	19,011	15.8	91,298	20.5	17.2
Top Quintile	19,753	32.5	286,327	65.4	70,995	76.1	215,332	62.5	24.8
All	60,744	100.0	142,360	100.0	30,324	100.0	112,036	100.0	21.3
Addendum									
80-90	9,475	15.6	152,668	16.7	30,439	15.7	122,229	17.0	19.9
90-95	5,151	8.5	203,608	12.1	43,811	12.3	159,797	12.1	21.5
95-99	4,104	6.8	340,075	16.1	81,475	18.2	258,600	15.6	24.0
Top 1 Percent	1,022	1.7	1,726,181	20.4	541,790	30.1	1,184,391	17.8	31.4
Top 0.1 Percent	102	0.2	7,928,538	9.4	2,629,493	14.6	5,299,045	8.0	33.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

* Less than 0.05

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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

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

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(3) The 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 2012 dollars): 20% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

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

(5) After-tax income is 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 income.

Table T12-0154
Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013 ¹
Detail Table - Head of Household Tax Units

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	77.2	0.0	5.6	24.2	-963	125.4	-7.5	-11.6	-5.8	-10.4
Second Quintile	92.5	*	3.7	30.4	-1,337	-46.0	-4.4	9.5	-3.5	4.1
Middle Quintile	98.1	0.0	2.9	21.5	-1,462	-15.5	2.0	31.2	-2.4	13.2
Fourth Quintile	99.5	0.0	2.6	14.1	-1,799	-10.8	3.5	31.0	-2.1	17.1
Top Quintile	98.8	0.2	2.0	9.7	-2,937	-6.1	6.3	39.9	-1.5	23.5
All	89.3	*	3.3	100.0	-1,353	-21.0	0.0	100.0	-2.9	10.7
Addendum										
80-90	98.8	0.0	2.3	4.6	-2,228	-8.1	2.0	14.1	-1.8	20.2
90-95	99.9	0.0	2.4	2.0	-3,166	-8.1	0.8	5.9	-1.8	21.0
95-99	98.9	0.2	2.5	2.5	-5,003	-7.4	1.2	8.3	-1.9	23.4
Top 1 Percent	89.7	7.4	0.6	0.6	-6,430	-1.3	2.3	11.5	-0.4	31.6
Top 0.1 Percent	77.8	21.2	-0.1	0.0	3,673	0.2	1.2	5.8	0.1	33.4

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013 ¹

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	7,853	34.0	16,583	11.9	-768	-4.1	17,350	14.4	-4.6
Second Quintile	7,113	30.8	38,657	25.1	2,903	13.9	35,754	26.9	7.5
Middle Quintile	4,602	19.9	60,601	25.5	9,436	29.2	51,165	24.9	15.6
Fourth Quintile	2,452	10.6	86,842	19.4	16,652	27.4	70,190	18.2	19.2
Top Quintile	1,028	4.5	194,442	18.3	48,527	33.5	145,915	15.9	25.0
All	23,101	100.0	47,399	100.0	6,443	100.0	40,956	100.0	13.6
Addendum									
80-90	652	2.8	126,141	7.5	27,682	12.1	98,459	6.8	22.0
90-95	193	0.8	171,752	3.0	39,280	5.1	132,472	2.7	22.9
95-99	156	0.7	268,596	3.8	67,907	7.1	200,689	3.3	25.3
Top 1 Percent	28	0.1	1,532,857	3.9	491,160	9.2	1,041,697	3.1	32.0
Top 0.1 Percent	3	0.0	7,432,229	1.9	2,479,677	4.6	4,952,552	1.4	33.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

* Less than 0.05

(1) Calendar year. Baseline is current law. 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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

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

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(3) The 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 2012 dollars): 20% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

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

(5) After-tax income is 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 income.

Table T12-0154
Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013¹
Detail Table - Tax Units with Children

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	77.2	0.0	6.2	8.6	-1,138	128.6	-1.4	-2.3	-6.5	-11.6
Second Quintile	94.9	*	4.7	14.5	-1,898	-51.9	-1.6	2.0	-4.3	4.0
Middle Quintile	99.2	0.0	3.4	15.9	-2,212	-18.9	-0.7	10.2	-2.9	12.5
Fourth Quintile	99.8	0.0	3.7	25.1	-3,558	-15.6	-0.6	20.3	-3.0	16.0
Top Quintile	99.4	0.4	2.5	35.8	-5,907	-7.2	4.4	69.6	-1.9	24.0
All	93.6	0.1	3.3	100.0	-2,811	-13.0	0.0	100.0	-2.6	17.6
Addendum										
80-90	99.9	0.0	3.5	15.5	-4,747	-13.0	0.0	15.6	-2.8	18.5
90-95	99.8	0.1	3.3	8.4	-6,215	-11.3	0.2	9.9	-2.6	20.2
95-99	99.1	0.5	2.9	9.8	-8,545	-8.5	0.8	15.8	-2.2	23.1
Top 1 Percent	92.3	6.0	0.5	2.1	-7,028	-1.1	3.4	28.4	-0.4	32.0
Top 0.1 Percent	78.0	21.4	0.0	-0.1	2,292	0.1	1.7	13.1	0.0	33.7

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013¹

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	10,614	21.2	17,423	3.5	-885	-0.9	18,308	4.6	-5.1	
Second Quintile	10,772	21.5	44,074	8.9	3,657	3.6	40,417	10.2	8.3	
Middle Quintile	10,131	20.2	75,908	14.4	11,703	11.0	64,205	15.3	15.4	
Fourth Quintile	9,943	19.8	120,141	22.4	22,813	21.0	97,327	22.7	19.0	
Top Quintile	8,545	17.0	319,974	51.2	82,640	65.2	237,334	47.6	25.8	
All	50,150	100.0	106,480	100.0	21,587	100.0	84,892	100.0	20.3	
Addendum										
80-90	4,601	9.2	172,811	14.9	36,644	15.6	136,167	14.7	21.2	
90-95	1,899	3.8	242,779	8.6	55,227	9.7	187,552	8.4	22.8	
95-99	1,624	3.2	396,122	12.1	100,059	15.0	296,063	11.3	25.3	
Top 1 Percent	421	0.8	1,981,464	15.6	641,347	25.0	1,340,117	13.3	32.4	
Top 0.1 Percent	40	0.1	9,255,195	6.9	3,115,188	11.4	6,140,007	5.7	33.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

* 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 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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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 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 income.

Table T12-0154
Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Individual Income and Estate Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013¹
Detail Table - Elderly Tax Units

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	1.4	0.0	0.1	0.2	-14	-9.6	0.0	0.2	-0.1	1.1
Second Quintile	11.4	0.0	0.3	1.3	-77	-11.8	0.0	1.3	-0.3	2.2
Middle Quintile	67.2	0.0	0.9	6.3	-420	-13.6	-0.1	5.1	-0.8	5.3
Fourth Quintile	94.0	0.0	1.9	15.8	-1,364	-14.3	-0.4	12.0	-1.7	10.1
Top Quintile	97.5	0.5	3.3	76.4	-6,057	-10.7	0.6	81.4	-2.5	21.3
All	51.7	0.1	2.3	100.0	-1,463	-11.3	0.0	100.0	-1.9	14.9
Addendum										
80-90	97.1	0.0	3.1	18.6	-3,143	-15.9	-0.7	12.5	-2.6	13.8
90-95	98.9	0.0	4.0	17.1	-5,345	-16.6	-0.7	10.9	-3.2	16.2
95-99	98.6	0.4	4.9	29.2	-10,460	-16.3	-1.1	19.1	-3.8	19.4
Top 1 Percent	90.7	7.9	1.7	11.6	-16,100	-3.6	3.1	38.9	-1.2	30.8
Top 0.1 Percent	70.9	28.0	-0.1	-0.3	4,330	0.2	2.3	19.9	0.1	33.9

Baseline Distribution of Income and Federal Taxes
by Income Percentile Adjusted for Family Size, 2013¹

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	6,267	17.8	12,469	2.9	146	0.2	12,323	3.4	1.2	
Second Quintile	8,703	24.8	26,837	8.6	660	1.3	26,177	10.0	2.5	
Middle Quintile	7,722	22.0	50,187	14.2	3,092	5.2	47,095	16.0	6.2	
Fourth Quintile	5,946	16.9	81,150	17.7	9,544	12.4	71,606	18.8	11.8	
Top Quintile	6,478	18.4	238,690	56.8	56,877	80.8	181,813	51.9	23.8	
All	35,135	100.0	77,552	100.0	12,981	100.0	64,571	100.0	16.7	
Addendum										
80-90	3,034	8.6	120,467	13.4	19,762	13.2	100,705	13.5	16.4	
90-95	1,643	4.7	165,797	10.0	32,267	11.6	133,531	9.7	19.5	
95-99	1,433	4.1	276,973	14.6	64,309	20.2	212,665	13.4	23.2	
Top 1 Percent	369	1.1	1,387,789	18.8	443,145	35.8	944,643	15.4	31.9	
Top 0.1 Percent	35	0.1	6,729,710	8.7	2,275,237	17.7	4,454,473	7.0	33.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

* 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 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; j) set the estate tax at its 2009 level (\$3.5M exemption, 45% rate) and modify certain valuation discount rules; and k) continue certain expiring provisions through 2013. For a description of TPC's current law and current policy baselines, see

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