

T12-0190
Effective Federal Tax Rates - All Tax Units
By Cash Income Income Percentile, 2012
Baseline: Current Law

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -6.9 | 3.4 | 3.6 | 0.8 | * | 0.9 |
| Second Quintile | -1.3 | 3.7 | 4.3 | 0.9 | * | 7.7 |
| Middle Quintile | 4.4 | 3.9 | 4.7 | 1.0 | * | 14.1 |
| Fourth Quintile | 7.9 | 4.1 | 5.0 | 1.2 | * | 18.1 |
| Top Quintile | 16.6 | 2.7 | 3.1 | 3.8 | 0.2 | 26.4 |
| All | 10.5 | 3.3 | 3.8 | 2.5 | 0.1 | 20.2 |
| Addendum | | | | | | |
| 80-90 | 11.1 | 4.2 | 5.1 | 1.3 | * | 21.7 |
| 90-95 | 13.7 | 3.9 | 4.6 | 1.8 | * | 24.0 |
| 95-99 | 18.2 | 2.8 | 3.0 | 2.8 | 0.2 | 27.1 |
| Top 1 Percent | 20.9 | 1.0 | 0.9 | 7.3 | 0.4 | 30.4 |
| Top 0.1 Percent | 20.4 | 0.6 | 0.5 | 9.5 | 0.5 | 31.4 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

(1) 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 2012 dollars): 20% \$19,738; 40% \$39,096; 60% \$64,828; 80% \$107,628; 90% \$148,688; 95% \$208,810; 99% \$521,411; 99.9% \$2,749,437. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

T12-0190
Effective Federal Tax Rates - All Tax Units
By Cash Income Income Percentile, 2012
Baseline: Current Law

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -13.3 | 4.2 | 4.3 | 0.9 | * | -3.9 |
| Second Quintile | -3.0 | 3.8 | 4.4 | 0.8 | * | 5.9 |
| Middle Quintile | 3.2 | 3.9 | 4.6 | 1.0 | * | 12.6 |
| Fourth Quintile | 7.5 | 4.1 | 5.1 | 1.1 | * | 17.7 |
| Top Quintile | 16.2 | 2.7 | 3.1 | 3.7 | 0.2 | 25.9 |
| All | 10.5 | 3.3 | 3.8 | 2.5 | 0.1 | 20.2 |
| Addendum | | | | | | |
| 80-90 | 11.0 | 4.1 | 5.0 | 1.3 | * | 21.4 |
| 90-95 | 13.6 | 3.8 | 4.6 | 1.7 | * | 23.6 |
| 95-99 | 17.6 | 2.9 | 3.1 | 2.7 | 0.1 | 26.4 |
| Top 1 Percent | 20.7 | 1.0 | 0.9 | 7.3 | 0.5 | 30.3 |
| Top 0.1 Percent | 20.3 | 0.5 | 0.5 | 9.4 | 0.6 | 31.4 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

T12-0190
Effective Federal Tax Rates - Single Tax Units
By Cash Income Income Percentile, 2012
Baseline: Current Law

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -3.7 | 3.2 | 3.5 | 0.8 | * | 3.9 |
| Second Quintile | 1.2 | 2.8 | 3.3 | 0.8 | * | 8.1 |
| Middle Quintile | 4.8 | 3.5 | 4.2 | 1.1 | * | 13.5 |
| Fourth Quintile | 8.5 | 3.9 | 4.9 | 1.3 | * | 18.6 |
| Top Quintile | 14.8 | 2.8 | 3.2 | 3.9 | 0.7 | 25.4 |
| All | 9.2 | 3.2 | 3.8 | 2.4 | 0.3 | 18.9 |
| Addendum | | | | | | |
| 80-90 | 11.4 | 3.8 | 4.9 | 1.5 | * | 21.7 |
| 90-95 | 13.1 | 3.6 | 4.4 | 2.1 | * | 23.2 |
| 95-99 | 15.7 | 2.8 | 3.1 | 3.6 | 0.3 | 25.5 |
| Top 1 Percent | 19.0 | 0.8 | 0.7 | 8.2 | 2.5 | 31.2 |
| Top 0.1 Percent | 19.2 | 0.4 | 0.3 | 10.2 | 2.9 | 33.1 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

T12-0190**Effective Federal Tax Rates - Married Tax Units, Filing Jointly****By Cash Income Income Percentile, 2012****Baseline: Current Law**

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -15.8 | 5.1 | 4.4 | 1.1 | * | -5.2 |
| Second Quintile | -4.6 | 4.2 | 4.5 | 0.9 | * | 5.0 |
| Middle Quintile | 2.0 | 3.9 | 4.5 | 0.9 | * | 11.4 |
| Fourth Quintile | 6.8 | 4.1 | 5.0 | 1.0 | * | 17.0 |
| Top Quintile | 16.6 | 2.7 | 3.1 | 3.6 | * | 26.0 |
| All | 12.1 | 3.2 | 3.7 | 2.7 | * | 21.8 |
| Addendum | | | | | | |
| 80-90 | 10.7 | 4.1 | 5.0 | 1.2 | * | 21.1 |
| 90-95 | 13.6 | 3.9 | 4.6 | 1.5 | * | 23.6 |
| 95-99 | 18.0 | 3.0 | 3.2 | 2.5 | * | 26.6 |
| Top 1 Percent | 21.1 | 1.1 | 0.9 | 7.0 | 0.1 | 30.2 |
| Top 0.1 Percent | 20.6 | 0.6 | 0.5 | 9.3 | 0.2 | 31.1 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

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Effective Federal Tax Rates - Head of Household Tax Units

By Cash Income Income Percentile, 2012

Baseline: Current Law

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -26.2 | 5.1 | 5.2 | 0.8 | * | -15.1 |
| Second Quintile | -8.1 | 4.6 | 5.8 | 0.7 | * | 3.1 |
| Middle Quintile | 2.8 | 4.5 | 5.8 | 0.7 | * | 13.8 |
| Fourth Quintile | 7.7 | 4.5 | 5.8 | 0.8 | * | 18.8 |
| Top Quintile | 15.3 | 3.2 | 3.8 | 2.6 | 0.1 | 25.0 |
| All | 0.7 | 4.3 | 5.3 | 1.2 | * | 11.5 |
| Addendum | | | | | | |
| 80-90 | 11.7 | 4.4 | 5.5 | 1.0 | * | 22.6 |
| 90-95 | 14.1 | 4.0 | 4.8 | 1.3 | * | 24.2 |
| 95-99 | 17.6 | 2.8 | 2.9 | 2.3 | * | 25.6 |
| Top 1 Percent | 20.5 | 1.0 | 0.8 | 6.5 | 0.3 | 29.1 |
| Top 0.1 Percent | 20.8 | 0.5 | 0.4 | 7.9 | 0.4 | 30.0 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

T12-0190**Effective Federal Tax Rates - Tax Units with Children****By Cash Income Income Percentile, 2012****Baseline: Current Law**

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -28.0 | 5.5 | 5.2 | 0.9 | * | -16.4 |
| Second Quintile | -8.5 | 5.0 | 5.8 | 0.8 | * | 3.1 |
| Middle Quintile | 2.3 | 4.9 | 5.9 | 0.8 | * | 14.0 |
| Fourth Quintile | 7.4 | 4.9 | 6.0 | 0.9 | * | 19.2 |
| Top Quintile | 17.5 | 3.1 | 3.4 | 3.1 | * | 27.1 |
| All | 9.6 | 4.0 | 4.6 | 2.1 | * | 20.2 |
| Addendum | | | | | | |
| 80-90 | 11.7 | 4.7 | 5.8 | 1.0 | * | 23.2 |
| 90-95 | 14.9 | 4.2 | 4.9 | 1.3 | * | 25.4 |
| 95-99 | 19.4 | 3.1 | 3.3 | 2.1 | * | 27.8 |
| Top 1 Percent | 22.1 | 1.2 | 1.0 | 6.2 | * | 30.5 |
| Top 0.1 Percent | 21.2 | 0.6 | 0.6 | 8.8 | 0.1 | 31.3 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

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

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.

T12-0190
Effective Federal Tax Rates - Elderly Tax Units
By Cash Income Income Percentile, 2012
Baseline: Current Law

| Cash Income Percentile ¹ | Average Effective Tax Rate | | | | | All Federal Tax ⁵ |
|--|---------------------------------------|--------------------------|----------|-------------------------|------------|------------------------------|
| | Individual Income Tax ² | Payroll Tax ³ | | Corporate Income Tax | Estate Tax | |
| | | Employee ⁴ | Employer | | | |
| Lowest Quintile | -0.2 | 0.2 | 0.2 | 0.4 | * | 0.6 |
| Second Quintile | -0.2 | 0.4 | 0.4 | 0.7 | * | 1.2 |
| Middle Quintile | 1.1 | 0.8 | 0.9 | 1.2 | * | 4.0 |
| Fourth Quintile | 5.6 | 1.1 | 1.2 | 1.7 | * | 9.6 |
| Top Quintile | 14.5 | 0.9 | 0.9 | 6.1 | 0.7 | 23.2 |
| All | 9.3 | 0.9 | 0.9 | 4.0 | 0.4 | 15.5 |
| Addendum | | | | | | |
| 80-90 | 9.8 | 1.2 | 1.3 | 2.4 | * | 14.7 |
| 90-95 | 12.1 | 1.4 | 1.5 | 3.4 | * | 18.4 |
| 95-99 | 15.6 | 1.2 | 1.0 | 5.0 | 0.3 | 23.2 |
| Top 1 Percent | 17.5 | 0.5 | 0.4 | 10.0 | 1.7 | 30.1 |
| Top 0.1 Percent | 17.2 | 0.3 | 0.2 | 11.8 | 2.1 | 31.6 |

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

* Less than 0.05.

Note : Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) 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 2012 dollars): 20% \$13,702; 40% \$25,625; 60% \$40,991; 80% \$64,430; 90% \$90,165; 95% \$125,044; 99% \$309,628; 99.9% \$1,633,545. Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>.

(2) After tax credits (including refundable portion of earned income and child tax credits).

(3) Includes both the employee and employer portion of Social Security and Medicare tax.

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment.

(5) Excludes customs duties and excise taxes.