Table T11-0132
Number of AMT Taxpayers with and without AMT Fix, 2011-2013 [1]

Tax Units on the AMT	No AMT Fix			With AMT Fix		
	Current Law[2]	Current Policy[3]	Administration's FY2012 Budget Proposals[4]	Current Law[2]	Current Policy[3]	Administration's FY2012 Budget Proposals[4]
2011						
Number of AMT Taxpayers (millions)	29.1	NA	NA	4.3	NA	NA
Percentage of All Taxpayers [5]	33.0	NA	NA	4.9	NA	NA
Percentage of All Tax Units	17.8	NA	NA	2.6	NA	NA
2012						
Number of AMT Taxpayers (millions)	31.2	31.4	34.6	4.7	4.8	3.6
Percentage of All Taxpayers [5]	34.8	35.1	38.5	5.2	5.4	4.0
Percentage of All Tax Units	18.9	19.0	21.0	2.8	2.9	2.2
2013						
Number of AMT Taxpayers (millions)	21.0	34.6	37.8	1.2	4.5	3.2
Percentage of All Taxpayers [5]	20.7	36.3	39.5	1.2	4.7	3.3
Percentage of All Tax Units	12.6	20.8	22.7	0.7	2.7	1.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-1).

(1) Includes returns with direct Alternative Minimum Tax (AMT) liability and indirect liability due to lost credits or deductions. Tax units that are dependents of other tax units are excluded fom the analysis.

(2) For 2011 and 2012, the AMT fix under current law is the 2011 AMT patch which sets the AMT exemption amount for 2011 at $48,450 for individuals and $74,450 for married taxpayers filing jointly, indexes the exemption amount for inflation after 2011, and allows non-refundable personal credits against AMT liability. For 2013, the AMT fix under current law indexes the exemption amount for inflation after 2011, and allows both refundable and non-refundable personal credits against AMT liability.

(3) Current policy assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut. The AMT fix under current policy is the 2011 AMT patch which sets the AMT exemption amount for 2011 at $48,450 for individuals and $74,450 for married taxpayers filing jointly, indexes the exemption amount for inflation after 2011, and allows non-refundable personal credits against AMT liability.

(4) The AMT fix under the Administration's FY2012 Budget Proposals indexes the parameters of the AMT to inflation after 2011 and allows both refundable and non-refundable personal credits against AMT liability. The Administration's FY2012 Budget Proposals would a) index the parameters of the AMT to inflation after 2011 and allow refundable and 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 and qualified dividends at 20% 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 and increase the phase-out threshold to $75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two brackets; and l) set the estate tax at its 2009 level ($3.5M exemption, 45% rate) and modify certain valuation discount rules. Business provisions include a) expand and make the R&E credit permanent; b) tax carried interest as ordinary income; c) repeal LIFO; d) expand section 179 expensing; e) reform international tax system; f) reform treatment of financial institutions; g) eliminate fossil fuel preferences; h) reinstate Superfund environmental income tax; and g) reform the treatment of insurance industry.

(5) Taxpayers are defined as returns with positive income tax liability net of refundable credits.