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Table T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total				Change (%)	Under the Proposal
Lowest Quintile	40,520	25.6	-1.1	4.3	120	1.1	1.7
Second Quintile	36,208	22.9	-1.3	11.6	364	1.2	9.3
Middle Quintile	31,370	19.8	-1.5	18.5	672	1.3	15.3
Fourth Quintile	26,062	16.5	-1.6	25.9	1,135	1.4	18.7
Top Quintile	23,189	14.7	-1.1	39.6	1,950	0.8	25.9
All	158,260	100.0	-1.3	100.0	721	1.0	20.4
Addendum							
80-90	11,692	7.4	-1.7	17.4	1,697	1.4	21.2
90-95	5,736	3.6	-1.6	10.4	2,073	1.2	23.0
95-99	4,615	2.9	-1.1	9.3	2,290	0.8	25.5
Top 1 Percent	1,147	0.7	-0.2	2.6	2,542	0.2	31.4
Top 0.1 Percent	117	0.1	-0.1	0.3	2,663	0.0	32.6

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

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 4.0

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see:

<http://www.taxpolicycenter.org/publications/url.cfm?ID=412666>

For a description of TPC's current policy baseline, 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 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% \$20,113; 40% \$39,790; 60% \$64,484; 80% \$108,266; 90% \$143,373; 95% \$204,296; 99% \$506,210; 99.9% \$2,655,675.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
Detail Table

Cash Income Percentile ^{2,3}	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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	-1.1	4.3	120	167.1	0.2	0.4	1.1	1.7
Second Quintile	-1.3	11.6	364	15.1	0.4	4.5	1.2	9.3
Middle Quintile	-1.5	18.5	672	9.2	0.4	11.2	1.3	15.3
Fourth Quintile	-1.6	25.9	1,135	7.7	0.4	18.3	1.4	18.7
Top Quintile	-1.1	39.6	1,950	3.2	-1.4	65.5	0.8	25.9
All	-1.3	100.0	721	5.4	0.0	100.0	1.0	20.4
Addendum								
80-90	-1.7	17.4	1,697	6.8	0.2	13.9	1.4	21.2
90-95	-1.6	10.4	2,073	5.7	0.0	9.8	1.2	23.0
95-99	-1.1	9.3	2,290	3.2	-0.3	15.1	0.8	25.5
Top 1 Percent	-0.2	2.6	2,542	0.5	-1.3	26.8	0.2	31.4
Top 0.1 Percent	-0.1	0.3	2,663	0.1	-0.7	13.5	0.0	32.6

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	40,520	25.6	11,290	4.2	72	0.1	11,218	5.1	0.6
Second Quintile	36,208	22.9	30,031	9.9	2,414	4.1	27,617	11.3	8.0
Middle Quintile	31,370	19.8	52,294	14.9	7,337	10.8	44,957	15.9	14.0
Fourth Quintile	26,062	16.5	84,355	20.0	14,668	17.9	69,687	20.5	17.4
Top Quintile	23,189	14.7	244,576	51.5	61,502	66.9	183,075	47.9	25.2
All	158,260	100.0	69,527	100.0	13,474	100.0	56,053	100.0	19.4
Addendum									
80-90	11,692	7.4	125,820	13.4	24,996	13.7	100,824	13.3	19.9
90-95	5,736	3.6	166,808	8.7	36,248	9.8	130,560	8.4	21.7
95-99	4,615	2.9	287,453	12.1	71,002	15.4	216,452	11.3	24.7
Top 1 Percent	1,147	0.7	1,671,536	17.4	521,696	28.1	1,149,840	14.9	31.2
Top 0.1 Percent	117	0.1	7,985,826	8.5	2,602,216	14.2	5,383,610	7.1	32.6

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 4.0

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

<http://www.taxpolicycenter.org/publications/url.cfm?ID=412666>

For a description of TPC's current policy baseline, 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 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% \$20,113; 40% \$39,790; 60% \$64,484; 80% \$108,266; 90% \$143,373; 95% \$204,296; 99% \$506,210; 99.9% \$2,655,675.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹
Detail Table

Cash Income Percentile ^{2,3}	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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	-1.2	4.0	136	-31.7	0.2	-0.4	1.3	-2.8
Second Quintile	-1.3	9.3	326	20.1	0.4	2.8	1.2	7.3
Middle Quintile	-1.5	16.2	593	10.2	0.4	8.9	1.3	13.7
Fourth Quintile	-1.7	26.3	1,002	8.1	0.5	17.8	1.4	18.2
Top Quintile	-1.1	44.0	1,663	3.3	-1.4	70.8	0.8	25.7
All	-1.3	100.0	721	5.4	0.0	100.0	1.0	20.4
Addendum								
80-90	-1.7	18.8	1,430	6.8	0.2	15.1	1.3	21.2
90-95	-1.5	11.9	1,724	5.5	0.0	11.6	1.2	23.0
95-99	-1.1	10.6	2,022	3.4	-0.3	16.4	0.8	25.3
Top 1 Percent	-0.2	2.7	2,277	0.5	-1.3	27.7	0.2	31.3
Top 0.1 Percent	-0.1	0.3	2,432	0.1	-0.7	14.1	0.0	32.6

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	33,405	21.1	10,552	3.2	-429	-0.7	10,981	4.1	-4.1
Second Quintile	32,563	20.6	26,837	7.9	1,621	2.5	25,216	9.3	6.0
Middle Quintile	31,164	19.7	46,562	13.2	5,806	8.5	40,756	14.3	12.5
Fourth Quintile	29,985	19.0	73,219	20.0	12,353	17.4	60,866	20.6	16.9
Top Quintile	30,233	19.1	204,490	56.2	50,909	72.2	153,581	52.3	24.9
All	158,260	100.0	69,527	100.0	13,474	100.0	56,053	100.0	19.4
Addendum									
80-90	14,991	9.5	106,847	14.6	21,165	14.9	85,682	14.5	19.8
90-95	7,896	5.0	142,978	10.3	31,140	11.5	111,838	10.0	21.8
95-99	5,972	3.8	244,529	13.3	59,739	16.7	184,790	12.4	24.4
Top 1 Percent	1,374	0.9	1,448,832	18.1	450,509	29.0	998,323	15.5	31.1
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,276,884	14.9	4,713,082	7.4	32.6

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 4.0

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

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For a description of TPC's current policy baseline, see:

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(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

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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% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
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 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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.1	5.8	85	25.9	0.2	1.5	1.1	5.1	
Second Quintile	-1.0	11.2	188	11.0	0.3	5.9	0.9	9.4	
Middle Quintile	-1.3	18.5	395	8.4	0.3	12.4	1.2	14.8	
Fourth Quintile	-1.6	28.0	695	7.1	0.3	22.0	1.3	19.9	
Top Quintile	-1.2	36.5	1,134	3.4	-1.2	58.2	0.9	26.3	
All	-1.3	100.0	404	5.5	0.0	100.0	1.0	19.8	
Addendum									
80-90	-1.6	15.9	976	6.0	0.1	14.6	1.3	22.7	
90-95	-1.5	10.2	1,229	5.1	0.0	10.9	1.2	24.2	
95-99	-1.1	8.8	1,385	3.3	-0.3	14.3	0.8	25.7	
Top 1 Percent	-0.2	1.5	1,294	0.4	-0.9	18.3	0.1	32.4	
Top 0.1 Percent	0.0	0.2	1,452	0.1	-0.5	9.4	0.0	34.6	

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	19,721	27.4	8,091	5.7	330	1.2	7,761	6.7	4.1
Second Quintile	17,211	23.9	20,316	12.4	1,718	5.6	18,598	14.0	8.5
Middle Quintile	13,567	18.8	34,462	16.6	4,700	12.0	29,762	17.6	13.6
Fourth Quintile	11,717	16.3	52,696	21.9	9,789	21.6	42,907	22.0	18.6
Top Quintile	9,354	13.0	132,560	44.0	33,665	59.4	98,895	40.4	25.4
All	72,035	100.0	39,146	100.0	7,362	100.0	31,784	100.0	18.8
Addendum									
80-90	4,749	6.6	75,578	12.7	16,210	14.5	59,368	12.3	21.5
90-95	2,416	3.4	104,552	9.0	24,072	11.0	80,479	8.5	23.0
95-99	1,849	2.6	168,798	11.1	41,960	14.6	126,838	10.2	24.9
Top 1 Percent	340	0.5	931,104	11.2	300,763	19.3	630,341	9.4	32.3
Top 0.1 Percent	31	0.0	4,955,926	5.4	1,713,591	10.0	3,242,335	4.4	34.6

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

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

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(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

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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% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	-1.3	1.5	202	-26.0	0.1	-0.2	1.4	-4.0
Second Quintile	-1.4	5.5	474	25.5	0.2	1.2	1.3	6.4
Middle Quintile	-1.4	13.2	745	11.3	0.4	6.0	1.3	12.5
Fourth Quintile	-1.6	26.7	1,227	8.6	0.5	15.4	1.4	17.3
Top Quintile	-1.1	52.9	1,936	3.2	-1.2	77.4	0.8	25.5
All	-1.3	100.0	1,157	4.8	0.0	100.0	1.0	21.6
Addendum								
80-90	-1.7	22.0	1,669	7.0	0.3	15.4	1.4	20.5
90-95	-1.5	14.3	1,967	5.7	0.1	12.2	1.2	22.5
95-99	-1.1	12.9	2,352	3.4	-0.2	17.9	0.8	25.0
Top 1 Percent	-0.2	3.7	2,656	0.5	-1.4	32.0	0.2	31.1
Top 0.1 Percent	-0.1	0.4	2,790	0.1	-0.8	16.0	0.0	32.3

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	5,376	8.9	14,486	1.1	-778	-0.3	15,263	1.5	-5.4
Second Quintile	8,093	13.3	36,595	4.2	1,862	1.0	34,734	5.0	5.1
Middle Quintile	12,453	20.5	58,915	10.4	6,603	5.6	52,312	11.6	11.2
Fourth Quintile	15,271	25.1	89,679	19.3	14,271	14.9	75,408	20.5	15.9
Top Quintile	19,208	31.6	241,961	65.5	59,806	78.6	182,155	62.2	24.7
All	60,744	100.0	116,746	100.0	24,070	100.0	92,676	100.0	20.6
Addendum									
80-90	9,257	15.2	123,947	16.2	23,765	15.1	100,183	16.5	19.2
90-95	5,109	8.4	162,264	11.7	34,534	12.1	127,730	11.6	21.3
95-99	3,865	6.4	282,834	15.4	68,447	18.1	214,387	14.7	24.2
Top 1 Percent	977	1.6	1,615,663	22.3	499,420	33.4	1,116,243	19.4	30.9
Top 0.1 Percent	101	0.2	7,547,627	10.7	2,438,238	16.8	5,109,388	9.1	32.3

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

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, 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% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
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 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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.3	13.1	216	-10.2	3.6	-13.6	1.5	-13.5	
Second Quintile	-1.6	25.6	495	50.6	2.2	9.0	1.6	4.6	
Middle Quintile	-1.8	25.9	768	11.3	-0.6	30.2	1.5	15.1	
Fourth Quintile	-1.9	20.6	1,091	8.6	-1.4	30.8	1.5	19.2	
Top Quintile	-1.3	14.7	1,585	4.2	-3.9	43.6	1.0	24.9	
All	-1.6	100.0	571	13.4	0.0	100.0	1.4	12.1	
Addendum									
80-90	-1.8	8.3	1,482	7.0	-0.9	15.1	1.4	22.2	
90-95	-1.7	3.6	1,727	5.7	-0.6	7.8	1.3	23.9	
95-99	-1.0	2.4	1,774	3.2	-0.9	9.1	0.8	25.5	
Top 1 Percent	-0.2	0.4	1,739	0.4	-1.5	11.5	0.1	29.8	
Top 0.1 Percent	0.0	0.0	1,733	0.1	-0.8	5.7	0.0	31.0	

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	8,034	34.8	13,983	12.2	-2,107	-17.2	16,090	15.7	-15.1
Second Quintile	6,829	29.6	31,795	23.5	978	6.8	30,818	25.5	3.1
Middle Quintile	4,455	19.3	49,950	24.1	6,789	30.7	43,161	23.3	13.6
Fourth Quintile	2,489	10.8	71,792	19.3	12,710	32.2	59,082	17.8	17.7
Top Quintile	1,222	5.3	160,037	21.2	38,192	47.4	121,844	18.0	23.9
All	23,101	100.0	40,006	100.0	4,260	100.0	35,746	100.0	10.7
Addendum									
80-90	740	3.2	102,711	8.2	21,324	16.1	81,387	7.3	20.8
90-95	273	1.2	133,416	4.0	30,086	8.4	103,330	3.4	22.6
95-99	176	0.8	226,780	4.3	56,086	10.0	170,693	3.6	24.7
Top 1 Percent	32	0.1	1,339,304	4.7	397,049	13.0	942,254	3.7	29.7
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,087,476	6.4	4,662,957	1.7	30.9

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

(1) Calendar year. Baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

<http://www.taxpolicycenter.org/publications/url.cfm?ID=412666>

For a description of TPC's current policy baseline, 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 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% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.4	4.6	232	-9.6	0.5	-2.7	1.6	-15.1	
Second Quintile	-1.7	11.4	583	49.6	0.6	2.1	1.6	4.8	
Middle Quintile	-1.9	18.6	999	11.9	0.5	10.9	1.6	15.1	
Fourth Quintile	-2.0	28.3	1,588	9.3	0.5	20.7	1.6	19.0	
Top Quintile	-1.2	36.8	2,401	3.4	-2.1	68.9	0.9	26.4	
All	-1.5	100.0	1,089	6.6	0.0	100.0	1.2	19.9	
Addendum									
80-90	-2.0	18.1	2,162	7.6	0.1	16.0	1.6	22.0	
90-95	-1.7	7.9	2,532	5.7	-0.1	9.0	1.3	23.8	
95-99	-1.2	8.4	2,767	3.4	-0.5	16.0	0.9	26.3	
Top 1 Percent	-0.2	2.4	2,997	0.5	-1.7	27.9	0.2	31.1	
Top 0.1 Percent	-0.1	0.2	3,090	0.1	-0.9	13.1	0.0	32.2	

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

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	10,949	21.8	14,497	3.6	-2,422	-3.2	16,919	5.2	-16.7
Second Quintile	10,714	21.4	36,326	8.8	1,174	1.5	35,152	10.5	3.2
Middle Quintile	10,166	20.3	62,074	14.3	8,398	10.4	53,676	15.2	13.5
Fourth Quintile	9,735	19.4	97,977	21.6	17,052	20.1	80,925	22.0	17.4
Top Quintile	8,378	16.7	273,829	52.1	69,886	71.1	203,944	47.7	25.5
All	50,150	100.0	87,888	100.0	16,433	100.0	71,455	100.0	18.7
Addendum									
80-90	4,581	9.1	139,259	14.5	28,531	15.9	110,727	14.2	20.5
90-95	1,696	3.4	196,218	7.6	44,157	9.1	152,061	7.2	22.5
95-99	1,662	3.3	322,508	12.2	81,940	16.5	240,567	11.2	25.4
Top 1 Percent	439	0.9	1,792,201	17.9	554,723	29.6	1,237,478	15.2	31.0
Top 0.1 Percent	40	0.1	8,825,262	8.1	2,841,660	13.9	5,983,602	6.7	32.2

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

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 with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

<http://www.taxpolicycenter.org/publications/url.cfm?ID=412666>

For a description of TPC's current policy baseline, 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 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% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(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 T12-0208
Fiscal Cliff Analysis
Step 1 of 9: Payroll Tax
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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	-0.1	0.6	6	9.5	0.0	0.1	0.1	0.7
Second Quintile	-0.1	3.8	26	8.5	0.1	0.8	0.1	1.5
Middle Quintile	-0.3	14.6	109	6.3	0.2	4.1	0.3	4.4
Fourth Quintile	-0.4	23.4	224	3.6	0.2	11.4	0.3	9.8
Top Quintile	-0.3	57.5	522	1.2	-0.4	83.5	0.3	22.9
All	-0.3	100.0	172	1.7	0.0	100.0	0.3	15.6
Addendum								
80-90	-0.4	18.8	371	2.7	0.1	12.1	0.4	14.6
90-95	-0.5	16.2	551	2.4	0.1	11.8	0.4	17.9
95-99	-0.4	16.5	681	1.4	-0.1	20.1	0.3	22.1
Top 1 Percent	-0.1	6.0	1,021	0.3	-0.6	39.5	0.1	31.7
Top 0.1 Percent	0.0	0.8	1,438	0.1	-0.3	20.6	0.0	33.5

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	5,152	14.7	10,284	2.3	68	0.1	10,216	2.7	0.7
Second Quintile	8,903	25.3	22,201	8.6	303	0.8	21,899	10.0	1.4
Middle Quintile	8,102	23.1	41,688	14.6	1,732	4.0	39,956	16.5	4.2
Fourth Quintile	6,300	17.9	66,058	18.0	6,273	11.2	59,785	19.2	9.5
Top Quintile	6,648	18.9	197,406	56.7	44,725	83.9	152,681	51.8	22.7
All	35,135	100.0	65,837	100.0	10,084	100.0	55,754	100.0	15.3
Addendum									
80-90	3,052	8.7	98,141	13.0	13,934	12.0	84,207	13.1	14.2
90-95	1,778	5.1	133,313	10.3	23,334	11.7	109,979	10.0	17.5
95-99	1,463	4.2	223,287	14.1	48,744	20.1	174,543	13.0	21.8
Top 1 Percent	354	1.0	1,267,910	19.4	400,939	40.1	866,971	15.7	31.6
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,094,649	20.9	4,158,291	7.5	33.5

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

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 with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. For a description of the fiscal cliff provisions, see

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