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Table T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	1.9	28	0.3	3.8
Second Quintile	36,208	22.9	-0.3	4.6	74	0.3	10.1
Middle Quintile	31,370	19.8	-0.3	7.3	135	0.3	15.8
Fourth Quintile	26,062	16.5	-0.4	12.0	267	0.3	19.2
Top Quintile	23,189	14.7	-1.1	73.7	1,848	0.8	28.6
All	158,260	100.0	-0.7	100.0	367	0.5	22.1
Addendum							
80-90	11,692	7.4	-0.5	9.2	459	0.4	21.7
90-95	5,736	3.6	-0.6	8.2	826	0.5	23.6
95-99	4,615	2.9	-0.9	14.5	1,821	0.6	26.5
Top 1 Percent	1,147	0.7	-2.0	41.9	21,232	1.3	37.7
Top 0.1 Percent	117	0.1	-2.4	23.7	118,151	1.5	40.3

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

Number of AMT Taxpayers (millions). Baseline: 3.3

Proposal: 3.3

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	1.9	28	6.9	0.0	0.7	0.3	3.8
Second Quintile	-0.3	4.6	74	2.5	0.0	4.5	0.3	10.1
Middle Quintile	-0.3	7.3	135	1.7	-0.1	10.7	0.3	15.8
Fourth Quintile	-0.4	12.0	267	1.7	-0.1	17.3	0.3	19.2
Top Quintile	-1.1	73.7	1,848	2.7	0.2	66.6	0.8	28.6
All	-0.7	100.0	367	2.5	0.0	100.0	0.5	22.1
Addendum								
80-90	-0.5	9.2	459	1.7	-0.1	13.1	0.4	21.7
90-95	-0.6	8.2	826	2.1	0.0	9.3	0.5	23.6
95-99	-0.9	14.5	1,821	2.5	0.0	14.5	0.6	26.5
Top 1 Percent	-2.0	41.9	21,232	3.5	0.3	29.7	1.3	37.7
Top 0.1 Percent	-2.4	23.7	118,151	3.8	0.2	15.4	1.5	40.3

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	400	0.7	10,890	5.1	3.5
Second Quintile	36,208	22.9	30,031	9.9	2,965	4.5	27,066	11.4	9.9
Middle Quintile	31,370	19.8	52,294	14.9	8,119	10.7	44,175	16.1	15.5
Fourth Quintile	26,062	16.5	84,355	20.0	15,889	17.5	68,466	20.7	18.8
Top Quintile	23,189	14.7	244,576	51.5	67,974	66.4	176,602	47.5	27.8
All	158,260	100.0	69,527	100.0	14,991	100.0	54,536	100.0	21.6
Addendum									
80-90	11,692	7.4	125,820	13.4	26,831	13.2	98,989	13.4	21.3
90-95	5,736	3.6	166,808	8.7	38,527	9.3	128,281	8.5	23.1
95-99	4,615	2.9	287,453	12.1	74,338	14.5	213,116	11.4	25.9
Top 1 Percent	1,147	0.7	1,671,536	17.4	609,022	29.4	1,062,514	14.1	36.4
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,100,646	15.2	4,885,179	6.6	38.8

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

Number of AMT Taxpayers (millions). Baseline: 3.3 Proposal: 3.3

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	1.8	31	108.4	0.0	0.1	0.3	0.6	
Second Quintile	-0.3	3.5	62	2.9	0.0	2.9	0.2	8.1	
Middle Quintile	-0.3	6.3	118	1.8	-0.1	8.5	0.3	14.2	
Fourth Quintile	-0.4	10.8	209	1.6	-0.2	16.8	0.3	18.6	
Top Quintile	-1.0	77.1	1,483	2.7	0.1	71.5	0.7	28.1	
All	-0.7	100.0	367	2.5	0.0	100.0	0.5	22.1	
Addendum									
80-90	-0.5	9.9	382	1.7	-0.1	14.3	0.4	21.6	
90-95	-0.6	8.4	620	1.9	-0.1	10.9	0.4	23.5	
95-99	-0.8	15.3	1,492	2.4	0.0	15.7	0.6	26.1	
Top 1 Percent	-2.0	43.5	18,401	3.5	0.3	30.7	1.3	37.5	
Top 0.1 Percent	-2.4	24.8	103,418	3.8	0.2	16.1	1.5	40.3	

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	33,405	21.1	10,552	3.2	28	0.0	10,524	4.1	0.3
Second Quintile	32,563	20.6	26,837	7.9	2,119	2.9	24,718	9.3	7.9
Middle Quintile	31,164	19.7	46,562	13.2	6,477	8.5	40,085	14.5	13.9
Fourth Quintile	29,985	19.0	73,219	20.0	13,440	17.0	59,779	20.8	18.4
Top Quintile	30,233	19.1	204,490	56.2	56,026	71.4	148,464	52.0	27.4
All	158,260	100.0	69,527	100.0	14,991	100.0	54,536	100.0	21.6
Addendum									
80-90	14,991	9.5	106,847	14.6	22,717	14.4	84,130	14.6	21.3
90-95	7,896	5.0	142,978	10.3	32,930	11.0	110,049	10.1	23.0
95-99	5,972	3.8	244,529	13.3	62,423	15.7	182,106	12.6	25.5
Top 1 Percent	1,374	0.9	1,448,832	18.1	524,199	30.4	924,633	14.7	36.2
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,711,614	15.9	4,278,352	6.9	38.8

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

Number of AMT Taxpayers (millions). Baseline: 3.3 Proposal: 3.3

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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:

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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

<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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	2.8	19	3.6	0.0	1.8	0.2	6.7
Second Quintile	-0.2	5.3	40	2.1	0.0	5.8	0.2	9.8
Middle Quintile	-0.3	8.9	85	1.7	-0.1	12.0	0.3	15.2
Fourth Quintile	-0.3	13.0	145	1.4	-0.2	21.2	0.3	20.3
Top Quintile	-1.0	69.4	965	2.7	0.2	59.1	0.7	28.2
All	-0.6	100.0	181	2.3	0.0	100.0	0.5	21.0
Addendum								
80-90	-0.5	10.5	288	1.7	-0.1	14.1	0.4	23.2
90-95	-0.6	8.8	475	1.9	0.0	10.6	0.5	24.7
95-99	-0.9	16.4	1,151	2.6	0.1	14.0	0.7	26.5
Top 1 Percent	-2.2	33.7	12,898	3.8	0.3	20.5	1.4	38.2
Top 0.1 Percent	-2.7	18.6	78,741	3.9	0.2	10.9	1.6	42.3

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	19,721	27.4	8,091	5.7	521	1.8	7,571	6.7	6.4
Second Quintile	17,211	23.9	20,316	12.4	1,954	5.8	18,362	14.1	9.6
Middle Quintile	13,567	18.8	34,462	16.6	5,144	12.1	29,318	17.7	14.9
Fourth Quintile	11,717	16.3	52,696	21.9	10,524	21.3	42,172	22.0	20.0
Top Quintile	9,354	13.0	132,560	44.0	36,357	58.8	96,203	40.1	27.4
All	72,035	100.0	39,146	100.0	8,024	100.0	31,122	100.0	20.5
Addendum									
80-90	4,749	6.6	75,578	12.7	17,233	14.2	58,345	12.4	22.8
90-95	2,416	3.4	104,552	9.0	25,330	10.6	79,222	8.5	24.2
95-99	1,849	2.6	168,798	11.1	43,529	13.9	125,270	10.3	25.8
Top 1 Percent	340	0.5	931,104	11.2	343,093	20.2	588,011	8.9	36.9
Top 0.1 Percent	31	0.0	4,955,926	5.4	2,019,338	10.8	2,936,588	4.0	40.8

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

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.4	0.8	60	-58.1	0.0	0.0	0.4	-0.3
Second Quintile	-0.3	2.1	105	3.9	0.0	1.4	0.3	7.6
Middle Quintile	-0.3	4.8	158	2.1	0.0	5.7	0.3	12.9
Fourth Quintile	-0.4	9.7	262	1.7	-0.1	14.6	0.3	17.7
Top Quintile	-1.0	82.1	1,754	2.7	0.1	78.3	0.7	28.1
All	-0.8	100.0	676	2.5	0.0	100.0	0.6	23.5
Addendum								
80-90	-0.5	10.0	443	1.7	-0.1	14.5	0.4	21.0
90-95	-0.6	8.7	700	1.9	-0.1	11.4	0.4	23.0
95-99	-0.8	15.7	1,664	2.3	0.0	17.0	0.6	25.9
Top 1 Percent	-1.9	47.7	20,054	3.4	0.3	35.4	1.2	37.3
Top 0.1 Percent	-2.4	27.0	110,015	3.8	0.2	18.2	1.5	40.0

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	5,376	8.9	14,486	1.1	-104	0.0	14,590	1.4	-0.7
Second Quintile	8,093	13.3	36,595	4.2	2,686	1.3	33,910	5.0	7.3
Middle Quintile	12,453	20.5	58,915	10.4	7,437	5.7	51,477	11.7	12.6
Fourth Quintile	15,271	25.1	89,679	19.3	15,611	14.7	74,068	20.7	17.4
Top Quintile	19,208	31.6	241,961	65.5	66,150	78.2	175,811	61.8	27.3
All	60,744	100.0	116,746	100.0	26,757	100.0	89,989	100.0	22.9
Addendum									
80-90	9,257	15.2	123,947	16.2	25,602	14.6	98,345	16.7	20.7
90-95	5,109	8.4	162,264	11.7	36,585	11.5	125,679	11.8	22.6
95-99	3,865	6.4	282,834	15.4	71,678	17.1	211,156	14.9	25.3
Top 1 Percent	977	1.6	1,615,663	22.3	583,247	35.1	1,032,416	18.5	36.1
Top 0.1 Percent	101	0.2	7,547,627	10.7	2,909,924	18.0	4,637,702	8.5	38.6

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

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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>

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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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	11.6	41	-3.6	0.4	-7.0	0.3	-7.8
Second Quintile	-0.2	15.8	66	3.8	0.1	9.9	0.2	5.7
Middle Quintile	-0.3	16.9	108	1.4	-0.3	27.7	0.2	15.6
Fourth Quintile	-0.3	17.3	199	1.4	-0.3	28.0	0.3	19.7
Top Quintile	-0.8	38.0	889	2.1	-0.1	41.2	0.6	26.5
All	-0.4	100.0	124	2.3	0.0	100.0	0.3	13.6
Addendum								
80-90	-0.4	7.3	283	1.2	-0.2	13.6	0.3	22.5
90-95	-0.5	4.7	493	1.6	-0.1	7.0	0.4	24.2
95-99	-0.8	7.8	1,261	2.2	0.0	8.4	0.6	26.3
Top 1 Percent	-1.8	18.2	16,141	3.5	0.1	12.2	1.2	35.6
Top 0.1 Percent	-2.1	9.4	88,369	3.6	0.1	6.2	1.3	38.1

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	-1,132	-7.4	15,115	15.2	-8.1
Second Quintile	6,829	29.6	31,795	23.5	1,759	9.8	30,037	25.6	5.5
Middle Quintile	4,455	19.3	49,950	24.1	7,701	27.9	42,248	23.5	15.4
Fourth Quintile	2,489	10.8	71,792	19.3	13,946	28.3	57,846	18.0	19.4
Top Quintile	1,222	5.3	160,037	21.2	41,526	41.3	118,510	18.1	26.0
All	23,101	100.0	40,006	100.0	5,317	100.0	34,689	100.0	13.3
Addendum									
80-90	740	3.2	102,711	8.2	22,851	13.8	79,860	7.4	22.3
90-95	273	1.2	133,416	4.0	31,852	7.1	101,565	3.5	23.9
95-99	176	0.8	226,780	4.3	58,408	8.4	168,372	3.7	25.8
Top 1 Percent	32	0.1	1,339,304	4.7	460,773	12.1	878,530	3.5	34.4
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,486,377	6.1	4,264,055	1.6	36.8

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

(1) Calendar year. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
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	-0.3	2.5	52	-3.8	0.1	-1.5	0.4	-9.1	
Second Quintile	-0.3	4.5	95	4.3	0.1	2.5	0.3	6.3	
Middle Quintile	-0.3	7.6	167	1.7	-0.1	10.3	0.3	15.7	
Fourth Quintile	-0.4	12.9	295	1.6	-0.2	19.4	0.3	19.5	
Top Quintile	-1.0	71.9	1,918	2.5	0.1	69.2	0.7	29.0	
All	-0.6	100.0	445	2.4	0.0	100.0	0.5	21.8	
Addendum									
80-90	-0.5	10.9	532	1.7	-0.1	15.0	0.4	22.6	
90-95	-0.6	6.6	868	1.9	0.0	8.4	0.4	24.3	
95-99	-0.8	13.7	1,847	2.1	0.0	15.2	0.6	27.3	
Top 1 Percent	-1.8	40.7	20,690	3.2	0.2	30.5	1.2	37.3	
Top 0.1 Percent	-2.2	21.8	120,780	3.6	0.2	14.7	1.4	39.7	

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	-1,376	-1.6	15,873	5.0	-9.5
Second Quintile	10,714	21.4	36,326	8.8	2,187	2.5	34,139	10.6	6.0
Middle Quintile	10,166	20.3	62,074	14.3	9,551	10.3	52,523	15.4	15.4
Fourth Quintile	9,735	19.4	97,977	21.6	18,825	19.5	79,152	22.2	19.2
Top Quintile	8,378	16.7	273,829	52.1	77,501	69.1	196,329	47.4	28.3
All	50,150	100.0	87,888	100.0	18,732	100.0	69,157	100.0	21.3
Addendum									
80-90	4,581	9.1	139,259	14.5	30,997	15.1	108,262	14.3	22.3
90-95	1,696	3.4	196,218	7.6	46,871	8.5	149,347	7.3	23.9
95-99	1,662	3.3	322,508	12.2	86,195	15.3	236,313	11.3	26.7
Top 1 Percent	439	0.9	1,792,201	17.9	647,645	30.3	1,144,556	14.5	36.1
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,378,598	14.5	5,446,664	6.3	38.3

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. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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 T12-0213
Fiscal Cliff Analysis
Step 6 of 9: Extenders
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
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	0.3	8	9.8	0.0	0.1	0.1	0.9
Second Quintile	-0.1	1.6	26	7.6	0.0	0.8	0.1	1.7
Middle Quintile	-0.2	4.8	90	4.8	0.0	3.9	0.2	4.7
Fourth Quintile	-0.4	8.7	207	3.2	-0.1	10.6	0.3	10.2
Top Quintile	-1.3	84.4	1,905	3.9	0.0	84.4	1.0	25.7
All	-0.8	100.0	427	3.9	0.0	100.0	0.7	17.3
Addendum								
80-90	-0.5	8.9	436	3.0	-0.1	11.3	0.4	15.0
90-95	-0.7	9.6	813	3.4	-0.1	11.0	0.6	18.5
95-99	-1.1	18.4	1,885	3.8	0.0	19.0	0.8	23.2
Top 1 Percent	-2.5	47.5	20,132	4.3	0.2	43.2	1.6	38.5
Top 0.1 Percent	-3.0	26.4	111,950	4.5	0.1	23.2	1.8	41.9

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	5,152	14.7	10,284	2.3	79	0.1	10,205	2.7	0.8
Second Quintile	8,903	25.3	22,201	8.6	346	0.8	21,855	10.1	1.6
Middle Quintile	8,102	23.1	41,688	14.6	1,856	3.9	39,833	16.7	4.5
Fourth Quintile	6,300	17.9	66,058	18.0	6,511	10.7	59,547	19.5	9.9
Top Quintile	6,648	18.9	197,406	56.7	48,846	84.4	148,560	51.2	24.7
All	35,135	100.0	65,837	100.0	10,947	100.0	54,890	100.0	16.6
Addendum									
80-90	3,052	8.7	98,141	13.0	14,317	11.4	83,824	13.3	14.6
90-95	1,778	5.1	133,313	10.3	23,901	11.1	109,412	10.1	17.9
95-99	1,463	4.2	223,287	14.1	49,893	19.0	173,394	13.2	22.3
Top 1 Percent	354	1.0	1,267,910	19.4	467,403	43.0	800,508	14.7	36.9
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,507,683	23.1	3,745,257	6.9	40.1

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. Initial 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. Baseline for this step is that modified form of current policy plus step 1 through 5 of the fiscal cliff analysis. 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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(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.