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Table T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.5	3	0.0	3.8
Second Quintile	36,208	22.9	-0.1	5.3	37	0.1	10.2
Middle Quintile	31,370	19.8	-0.2	9.3	75	0.1	15.9
Fourth Quintile	26,062	16.5	-0.2	16.2	158	0.2	19.3
Top Quintile	23,189	14.7	-0.4	68.2	747	0.3	28.9
All	158,260	100.0	-0.3	100.0	161	0.2	22.3
Addendum							
80-90	11,692	7.4	-0.2	10.1	219	0.2	21.9
90-95	5,736	3.6	-0.4	10.6	469	0.3	23.9
95-99	4,615	2.9	-0.6	24.0	1,323	0.5	27.0
Top 1 Percent	1,147	0.7	-0.5	23.5	5,210	0.3	38.0
Top 0.1 Percent	117	0.1	-0.4	7.6	16,509	0.2	40.5

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 6 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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.5	3	0.8	0.0	0.7	0.0	3.8
Second Quintile	-0.1	5.3	37	1.2	0.0	4.5	0.1	10.2
Middle Quintile	-0.2	9.3	75	0.9	0.0	10.6	0.1	15.9
Fourth Quintile	-0.2	16.2	158	1.0	0.0	17.3	0.2	19.3
Top Quintile	-0.4	68.2	747	1.1	0.0	66.6	0.3	28.9
All	-0.3	100.0	161	1.1	0.0	100.0	0.2	22.3
Addendum								
80-90	-0.2	10.1	219	0.8	0.0	13.1	0.2	21.9
90-95	-0.4	10.6	469	1.2	0.0	9.3	0.3	23.9
95-99	-0.6	24.0	1,323	1.7	0.1	14.6	0.5	27.0
Top 1 Percent	-0.5	23.5	5,210	0.8	-0.1	29.7	0.3	38.0
Top 0.1 Percent	-0.4	7.6	16,509	0.5	-0.1	15.4	0.2	40.5

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	428	0.7	10,862	5.1	3.8
Second Quintile	36,208	22.9	30,031	9.9	3,039	4.5	26,992	11.4	10.1
Middle Quintile	31,370	19.8	52,294	14.9	8,254	10.7	44,040	16.1	15.8
Fourth Quintile	26,062	16.5	84,355	20.0	16,156	17.3	68,199	20.7	19.2
Top Quintile	23,189	14.7	244,576	51.5	69,822	66.6	174,754	47.3	28.6
All	158,260	100.0	69,527	100.0	15,358	100.0	54,168	100.0	22.1
Addendum									
80-90	11,692	7.4	125,820	13.4	27,291	13.1	98,529	13.4	21.7
90-95	5,736	3.6	166,808	8.7	39,353	9.3	127,455	8.5	23.6
95-99	4,615	2.9	287,453	12.1	76,159	14.5	211,295	11.4	26.5
Top 1 Percent	1,147	0.7	1,671,536	17.4	630,254	29.7	1,041,282	13.9	37.7
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,218,798	15.4	4,767,028	6.5	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 6 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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate Tax
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
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	0.0	0.3	2	3.3	0.0	0.1	0.0	0.6
Second Quintile	-0.1	1.8	14	0.6	0.0	2.9	0.1	8.2
Middle Quintile	-0.1	4.2	34	0.5	0.0	8.4	0.1	14.2
Fourth Quintile	-0.1	9.4	79	0.6	-0.1	16.8	0.1	18.8
Top Quintile	-0.5	83.9	705	1.2	0.1	71.7	0.3	28.5
All	-0.3	100.0	161	1.1	0.0	100.0	0.2	22.3
Addendum								
80-90	-0.2	11.9	202	0.9	0.0	14.2	0.2	21.8
90-95	-0.3	8.9	286	0.9	0.0	10.9	0.2	23.7
95-99	-0.6	27.0	1,147	1.8	0.1	15.8	0.5	26.6
Top 1 Percent	-0.7	36.1	6,677	1.2	0.1	30.7	0.5	37.9
Top 0.1 Percent	-0.5	10.3	18,713	0.7	-0.1	16.1	0.3	40.5

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	33,405	21.1	10,552	3.2	59	0.1	10,493	4.1	0.6
Second Quintile	32,563	20.6	26,837	7.9	2,181	2.9	24,656	9.4	8.1
Middle Quintile	31,164	19.7	46,562	13.2	6,595	8.5	39,967	14.5	14.2
Fourth Quintile	29,985	19.0	73,219	20.0	13,649	16.8	59,570	20.8	18.6
Top Quintile	30,233	19.1	204,490	56.2	57,509	71.5	146,981	51.8	28.1
All	158,260	100.0	69,527	100.0	15,358	100.0	54,168	100.0	22.1
Addendum									
80-90	14,991	9.5	106,847	14.6	23,099	14.3	83,748	14.6	21.6
90-95	7,896	5.0	142,978	10.3	33,549	10.9	109,429	10.1	23.5
95-99	5,972	3.8	244,529	13.3	63,915	15.7	180,614	12.6	26.1
Top 1 Percent	1,374	0.9	1,448,832	18.1	542,600	30.7	906,232	14.5	37.5
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,815,031	16.1	4,174,934	6.8	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 6 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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.3	3	0.6	-0.1	1.7	0.0	6.7
Second Quintile	-0.1	1.7	22	1.1	-0.2	5.7	0.1	9.9
Middle Quintile	-0.3	4.5	73	1.4	-0.3	11.7	0.2	15.4
Fourth Quintile	-0.5	10.0	187	1.8	-0.4	20.8	0.4	20.6
Top Quintile	-2.0	83.1	1,943	5.2	0.9	59.9	1.5	29.6
All	-1.0	100.0	304	3.7	0.0	100.0	0.8	21.7
Addendum								
80-90	-1.0	13.2	606	3.5	0.0	14.1	0.8	24.0
90-95	-1.1	9.4	849	3.3	0.0	10.5	0.8	25.5
95-99	-2.6	27.6	3,262	7.3	0.5	14.5	1.9	28.4
Top 1 Percent	-3.7	33.0	21,237	6.0	0.5	20.9	2.3	40.5
Top 0.1 Percent	-2.0	7.8	55,705	2.7	-0.1	10.8	1.1	43.5

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	19,721	27.4	8,091	5.7	539	1.8	7,552	6.7	6.7
Second Quintile	17,211	23.9	20,316	12.4	1,994	5.8	18,322	14.2	9.8
Middle Quintile	13,567	18.8	34,462	16.6	5,229	12.0	29,233	17.8	15.2
Fourth Quintile	11,717	16.3	52,696	21.9	10,669	21.2	42,028	22.1	20.3
Top Quintile	9,354	13.0	132,560	44.0	37,322	59.1	95,238	40.0	28.2
All	72,035	100.0	39,146	100.0	8,205	100.0	30,942	100.0	21.0
Addendum									
80-90	4,749	6.6	75,578	12.7	17,521	14.1	58,057	12.4	23.2
90-95	2,416	3.4	104,552	9.0	25,805	10.6	78,746	8.5	24.7
95-99	1,849	2.6	168,798	11.1	44,680	14.0	124,118	10.3	26.5
Top 1 Percent	340	0.5	931,104	11.2	355,991	20.5	575,113	8.8	38.2
Top 0.1 Percent	31	0.0	4,955,926	5.4	2,098,079	10.9	2,857,847	4.0	42.3

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 6 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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.2	1	-2.6	0.0	0.0	0.0	-0.3	
Second Quintile	0.0	2.0	8	0.3	0.0	1.4	0.0	7.7	
Middle Quintile	0.0	2.0	5	0.1	0.0	5.7	0.0	12.9	
Fourth Quintile	0.0	4.6	9	0.1	0.0	14.5	0.0	17.7	
Top Quintile	-0.1	89.8	149	0.2	0.0	78.3	0.1	28.1	
All	-0.1	100.0	52	0.2	0.0	100.0	0.0	23.5	
Addendum									
80-90	0.0	3.9	14	0.1	0.0	14.5	0.0	21.0	
90-95	0.0	5.8	36	0.1	0.0	11.4	0.0	23.0	
95-99	-0.1	23.3	192	0.3	0.0	17.0	0.1	26.0	
Top 1 Percent	-0.2	56.7	1,845	0.3	0.0	35.4	0.1	37.5	
Top 0.1 Percent	-0.2	25.9	8,189	0.3	0.0	18.3	0.1	40.1	

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	5,376	8.9	14,486	1.1	-43	0.0	14,529	1.4	-0.3
Second Quintile	8,093	13.3	36,595	4.2	2,791	1.4	33,805	5.0	7.6
Middle Quintile	12,453	20.5	58,915	10.4	7,595	5.7	51,320	11.8	12.9
Fourth Quintile	15,271	25.1	89,679	19.3	15,873	14.6	73,806	20.8	17.7
Top Quintile	19,208	31.6	241,961	65.5	67,904	78.3	174,057	61.6	28.1
All	60,744	100.0	116,746	100.0	27,433	100.0	89,313	100.0	23.5
Addendum									
80-90	9,257	15.2	123,947	16.2	26,045	14.5	97,903	16.7	21.0
90-95	5,109	8.4	162,264	11.7	37,285	11.4	124,979	11.8	23.0
95-99	3,865	6.4	282,834	15.4	73,342	17.0	209,491	14.9	25.9
Top 1 Percent	977	1.6	1,615,663	22.3	603,301	35.4	1,012,362	18.2	37.3
Top 0.1 Percent	101	0.2	7,547,627	10.7	3,019,940	18.2	4,527,687	8.4	40.0

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 6 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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(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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.3	0	0.0	0.0	-7.0	0.0	-7.8	
Second Quintile	0.0	2.9	1	0.1	0.0	9.9	0.0	5.7	
Middle Quintile	0.0	4.9	3	0.0	-0.1	27.6	0.0	15.6	
Fourth Quintile	0.0	13.5	16	0.1	0.0	28.0	0.0	19.7	
Top Quintile	-0.2	77.6	183	0.4	0.1	41.3	0.1	26.6	
All	0.0	100.0	12	0.2	0.0	100.0	0.0	13.6	
Addendum									
80-90	-0.1	9.6	37	0.2	0.0	13.6	0.0	22.6	
90-95	-0.1	5.9	62	0.2	0.0	7.0	0.1	24.3	
95-99	-0.2	24.7	404	0.7	0.0	8.4	0.2	26.5	
Top 1 Percent	-0.4	37.3	3,330	0.7	0.1	12.3	0.3	35.9	
Top 0.1 Percent	-0.3	11.3	10,735	0.4	0.0	6.2	0.2	38.3	

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	8,034	34.8	13,983	12.2	-1,091	-7.0	15,074	15.2	-7.8
Second Quintile	6,829	29.6	31,795	23.5	1,825	9.9	29,971	25.6	5.7
Middle Quintile	4,455	19.3	49,950	24.1	7,809	27.7	42,140	23.5	15.6
Fourth Quintile	2,489	10.8	71,792	19.3	14,145	28.0	57,647	18.0	19.7
Top Quintile	1,222	5.3	160,037	21.2	42,415	41.2	117,621	18.0	26.5
All	23,101	100.0	40,006	100.0	5,440	100.0	34,566	100.0	13.6
Addendum									
80-90	740	3.2	102,711	8.2	23,134	13.6	79,577	7.4	22.5
90-95	273	1.2	133,416	4.0	32,344	7.0	101,072	3.5	24.2
95-99	176	0.8	226,780	4.3	59,669	8.4	167,111	3.7	26.3
Top 1 Percent	32	0.1	1,339,304	4.7	476,914	12.2	862,389	3.5	35.6
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,574,747	6.2	4,175,686	1.6	38.1

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 6 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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate 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	0.0	0.5	0	0.0	0.0	-1.5	0.0	-9.1	
Second Quintile	0.0	1.6	1	0.0	0.0	2.5	0.0	6.3	
Middle Quintile	0.0	2.0	1	0.0	0.0	10.3	0.0	15.7	
Fourth Quintile	0.0	11.7	8	0.0	0.0	19.4	0.0	19.5	
Top Quintile	0.0	82.7	66	0.1	0.0	69.2	0.0	29.0	
All	0.0	100.0	13	0.1	0.0	100.0	0.0	21.8	
Addendum									
80-90	0.0	5.3	8	0.0	0.0	15.0	0.0	22.7	
90-95	0.0	4.7	18	0.0	0.0	8.4	0.0	24.3	
95-99	0.0	25.0	100	0.1	0.0	15.2	0.0	27.3	
Top 1 Percent	-0.1	47.7	720	0.1	0.0	30.6	0.0	37.3	
Top 0.1 Percent	-0.1	18.9	3,104	0.1	0.0	14.7	0.0	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	-1,324	-1.5	15,822	5.0	-9.1
Second Quintile	10,714	21.4	36,326	8.8	2,282	2.5	34,045	10.6	6.3
Middle Quintile	10,166	20.3	62,074	14.3	9,717	10.3	52,357	15.5	15.7
Fourth Quintile	9,735	19.4	97,977	21.6	19,121	19.4	78,856	22.3	19.5
Top Quintile	8,378	16.7	273,829	52.1	79,419	69.2	194,411	47.3	29.0
All	50,150	100.0	87,888	100.0	19,177	100.0	68,711	100.0	21.8
Addendum									
80-90	4,581	9.1	139,259	14.5	31,528	15.0	107,730	14.3	22.6
90-95	1,696	3.4	196,218	7.6	47,740	8.4	148,479	7.3	24.3
95-99	1,662	3.3	322,508	12.2	88,042	15.2	234,466	11.3	27.3
Top 1 Percent	439	0.9	1,792,201	17.9	668,335	30.5	1,123,866	14.3	37.3
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,499,377	14.7	5,325,885	6.2	39.7

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 6 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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(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 T12-0214
Fiscal Cliff Analysis
Step 7 of 9: Estate Tax
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	0.2	7	7.9	0.0	0.1	0.1	0.9	
Second Quintile	-0.2	1.9	47	12.7	0.1	0.9	0.2	1.9	
Middle Quintile	-0.3	4.7	128	6.6	0.0	4.0	0.3	5.0	
Fourth Quintile	-0.5	8.9	315	4.7	-0.1	10.5	0.5	10.7	
Top Quintile	-1.9	84.1	2,808	5.5	0.0	84.4	1.4	27.1	
All	-1.2	100.0	632	5.6	0.0	100.0	1.0	18.2	
Addendum									
80-90	-1.2	13.1	955	6.5	0.1	11.4	1.0	16.0	
90-95	-1.1	9.3	1,159	4.7	-0.1	10.9	0.9	19.4	
95-99	-2.5	27.7	4,204	8.1	0.5	19.4	1.9	25.1	
Top 1 Percent	-2.7	34.0	21,293	4.4	-0.5	42.7	1.7	40.1	
Top 0.1 Percent	-1.5	8.8	55,340	2.1	-0.8	22.4	0.9	42.8	

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	87	0.1	10,197	2.8	0.9
Second Quintile	8,903	25.3	22,201	8.6	373	0.8	21,829	10.2	1.7
Middle Quintile	8,102	23.1	41,688	14.6	1,945	3.9	39,743	16.8	4.7
Fourth Quintile	6,300	17.9	66,058	18.0	6,718	10.6	59,340	19.5	10.2
Top Quintile	6,648	18.9	197,406	56.7	50,751	84.4	146,656	51.0	25.7
All	35,135	100.0	65,837	100.0	11,375	100.0	54,463	100.0	17.3
Addendum									
80-90	3,052	8.7	98,141	13.0	14,753	11.3	83,389	13.3	15.0
90-95	1,778	5.1	133,313	10.3	24,714	11.0	108,599	10.1	18.5
95-99	1,463	4.2	223,287	14.1	51,778	19.0	171,509	13.1	23.2
Top 1 Percent	354	1.0	1,267,910	19.4	487,535	43.2	780,375	14.4	38.5
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,619,633	23.2	3,633,307	6.7	41.9

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 6 of the fiscal cliff analysis. For a description of the fiscal cliff provisions, see:

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