

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

**Table T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	40,520	25.6	0.0	0.0	0	0.0	4.3
Second Quintile	36,208	22.9	0.0	1.0	12	0.0	12.1
Middle Quintile	31,370	19.8	-0.2	7.3	104	0.2	17.8
Fourth Quintile	26,062	16.5	-0.7	25.8	440	0.5	21.6
Top Quintile	23,189	14.7	-0.7	65.9	1,265	0.5	30.9
All	158,260	100.0	-0.5	100.0	281	0.4	24.3
<b>Addendum</b>							
80-90	11,692	7.4	-1.0	24.9	946	0.8	24.9
90-95	5,736	3.6	-0.7	11.4	881	0.5	26.7
95-99	4,615	2.9	-1.4	29.1	2,809	1.0	29.9
Top 1 Percent	1,147	0.7	0.0	0.6	222	0.0	38.4
Top 0.1 Percent	117	0.1	0.0	0.0	-14	0.0	40.5

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

Number of AMT Taxpayers (millions). Baseline: 1.2

Proposal: 21.7

(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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	0.0	0	0.0	0.0	0.7	0.0	4.3	
Second Quintile	0.0	1.0	12	0.3	-0.1	4.9	0.0	12.1	
Middle Quintile	-0.2	7.3	104	1.1	-0.1	10.9	0.2	17.8	
Fourth Quintile	-0.7	25.8	440	2.5	0.1	17.7	0.5	21.6	
Top Quintile	-0.7	65.9	1,265	1.7	0.0	65.5	0.5	30.9	
All	-0.5	100.0	281	1.7	0.0	100.0	0.4	24.3	
<b>Addendum</b>									
80-90	-1.0	24.9	946	3.1	0.2	13.7	0.8	24.9	
90-95	-0.7	11.4	881	2.0	0.0	9.5	0.5	26.7	
95-99	-1.4	29.1	2,809	3.4	0.2	14.8	1.0	29.9	
Top 1 Percent	0.0	0.6	222	0.0	-0.5	27.5	0.0	38.4	
Top 0.1 Percent	0.0	0.0	-14	0.0	-0.2	14.1	0.0	40.5	

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	484	0.7	10,806	5.2	4.3
Second Quintile	36,208	22.9	30,031	9.9	3,634	5.0	26,398	11.4	12.1
Middle Quintile	31,370	19.8	52,294	14.9	9,217	11.0	43,077	16.1	17.6
Fourth Quintile	26,062	16.5	84,355	20.0	17,767	17.6	66,588	20.7	21.1
Top Quintile	23,189	14.7	244,576	51.5	74,411	65.5	170,166	47.1	30.4
All	158,260	100.0	69,527	100.0	16,639	100.0	52,888	100.0	23.9
<b>Addendum</b>									
80-90	11,692	7.4	125,820	13.4	30,410	13.5	95,410	13.3	24.2
90-95	5,736	3.6	166,808	8.7	43,639	9.5	123,169	8.4	26.2
95-99	4,615	2.9	287,453	12.1	83,064	14.6	204,390	11.3	28.9
Top 1 Percent	1,147	0.7	1,671,536	17.4	642,010	28.0	1,029,526	14.1	38.4
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,236,176	14.3	4,749,649	6.6	40.5

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

Number of AMT Taxpayers (millions). Baseline: 1.2 Proposal: 21.7

(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 8 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

<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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.1	0.0	0.2	0.0	1.7
Second Quintile	-0.1	2.1	28	1.0	0.0	3.4	0.1	10.6
Middle Quintile	-0.4	11.0	157	2.1	0.0	8.8	0.3	16.3
Fourth Quintile	-0.9	34.1	506	3.4	0.3	17.3	0.7	21.0
Top Quintile	-0.5	52.8	777	1.3	-0.3	70.1	0.4	30.4
All	-0.5	100.0	281	1.7	0.0	100.0	0.4	24.3
<b>Addendum</b>								
80-90	-0.6	16.2	479	1.9	0.0	14.5	0.5	24.2
90-95	-0.6	10.5	593	1.6	0.0	11.0	0.4	26.2
95-99	-1.1	24.5	1,827	2.6	0.1	16.0	0.8	29.4
Top 1 Percent	-0.1	1.6	505	0.1	-0.5	28.6	0.0	38.4
Top 0.1 Percent	0.0	0.0	-22	0.0	-0.3	14.7	0.0	40.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	174	0.2	10,378	4.1	1.7
Second Quintile	32,563	20.6	26,837	7.9	2,804	3.5	24,033	9.4	10.5
Middle Quintile	31,164	19.7	46,562	13.2	7,431	8.8	39,132	14.6	16.0
Fourth Quintile	29,985	19.0	73,219	20.0	14,898	17.0	58,321	20.9	20.4
Top Quintile	30,233	19.1	204,490	56.2	61,307	70.4	143,184	51.7	30.0
All	158,260	100.0	69,527	100.0	16,639	100.0	52,888	100.0	23.9
<b>Addendum</b>									
80-90	14,991	9.5	106,847	14.6	25,423	14.5	81,424	14.6	23.8
90-95	7,896	5.0	142,978	10.3	36,845	11.1	106,133	10.0	25.8
95-99	5,972	3.8	244,529	13.3	69,940	15.9	174,589	12.5	28.6
Top 1 Percent	1,374	0.9	1,448,832	18.1	555,683	29.0	893,149	14.7	38.4
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,835,418	15.0	4,154,548	6.9	40.6

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

Number of AMT Taxpayers (millions). Baseline: 1.2 Proposal: 21.7

(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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	0.0	0	0.0	0.0	1.7	0.0	6.9	
Second Quintile	0.0	1.1	1	0.0	0.0	5.9	0.0	10.9	
Middle Quintile	0.0	2.8	3	0.1	0.0	11.9	0.0	16.4	
Fourth Quintile	0.0	6.7	8	0.1	0.0	20.7	0.0	21.7	
Top Quintile	-0.2	89.4	141	0.3	0.1	59.7	0.1	31.1	
All	-0.1	100.0	20	0.2	0.0	100.0	0.1	22.9	
<b>Addendum</b>									
80-90	-0.1	13.2	41	0.2	0.0	14.1	0.1	25.4	
90-95	-0.1	13.4	82	0.3	0.0	10.6	0.1	27.2	
95-99	-0.3	47.2	376	0.7	0.1	14.8	0.2	30.6	
Top 1 Percent	-0.1	15.7	680	0.2	0.0	20.2	0.1	41.2	
Top 0.1 Percent	0.0	0.0	6	0.0	0.0	10.3	0.0	43.5	

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	560	1.7	7,532	6.8	6.9
Second Quintile	17,211	23.9	20,316	12.4	2,209	5.9	18,108	14.3	10.9
Middle Quintile	13,567	18.8	34,462	16.6	5,661	11.9	28,801	18.0	16.4
Fourth Quintile	11,717	16.3	52,696	21.9	11,402	20.7	41,295	22.2	21.6
Top Quintile	9,354	13.0	132,560	44.0	41,083	59.6	91,477	39.3	31.0
All	72,035	100.0	39,146	100.0	8,952	100.0	30,195	100.0	22.9
<b>Addendum</b>									
80-90	4,749	6.6	75,578	12.7	19,131	14.1	56,447	12.3	25.3
90-95	2,416	3.4	104,552	9.0	28,365	10.6	76,187	8.5	27.1
95-99	1,849	2.6	168,798	11.1	51,296	14.7	117,502	10.0	30.4
Top 1 Percent	340	0.5	931,104	11.2	382,827	20.2	548,277	8.6	41.1
Top 0.1 Percent	31	0.0	4,955,926	5.4	2,157,240	10.3	2,798,686	4.0	43.5

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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.0	0.1	0.0	2.1
Second Quintile	-0.1	0.8	33	0.8	0.0	1.8	0.1	11.0
Middle Quintile	-0.4	7.8	219	2.5	0.0	6.1	0.4	15.3
Fourth Quintile	-1.1	35.0	802	4.6	0.4	15.3	0.9	20.5
Top Quintile	-0.6	56.5	1,029	1.4	-0.4	76.5	0.4	30.2
All	-0.7	100.0	576	2.0	0.0	100.0	0.5	25.8
<b>Addendum</b>								
80-90	-0.6	16.1	607	2.1	0.0	14.9	0.5	23.8
90-95	-0.6	11.0	752	1.8	0.0	11.7	0.5	25.8
95-99	-1.3	28.0	2,539	3.2	0.2	17.3	0.9	29.0
Top 1 Percent	-0.1	1.4	506	0.1	-0.6	32.7	0.0	37.9
Top 0.1 Percent	0.0	0.0	7	0.0	-0.3	16.7	0.0	40.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	300	0.1	14,186	1.4	2.1
Second Quintile	8,093	13.3	36,595	4.2	3,976	1.8	32,620	5.0	10.9
Middle Quintile	12,453	20.5	58,915	10.4	8,810	6.1	50,104	11.8	15.0
Fourth Quintile	15,271	25.1	89,679	19.3	17,563	14.9	72,116	20.8	19.6
Top Quintile	19,208	31.6	241,961	65.5	71,914	76.9	170,046	61.7	29.7
All	60,744	100.0	116,746	100.0	29,566	100.0	87,179	100.0	25.3
<b>Addendum</b>									
80-90	9,257	15.2	123,947	16.2	28,856	14.9	95,091	16.6	23.3
90-95	5,109	8.4	162,264	11.7	41,070	11.7	121,194	11.7	25.3
95-99	3,865	6.4	282,834	15.4	79,340	17.1	203,494	14.9	28.1
Top 1 Percent	977	1.6	1,615,663	22.3	611,997	33.3	1,003,666	18.5	37.9
Top 0.1 Percent	101	0.2	7,547,627	10.7	3,029,600	17.0	4,518,026	8.6	40.1

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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.2	-4.9	0.0	-6.4
Second Quintile	-0.2	9.0	58	2.1	-0.1	13.2	0.2	9.0
Middle Quintile	-0.7	28.5	280	3.2	0.0	27.5	0.6	18.3
Fourth Quintile	-1.1	35.6	628	4.1	0.3	26.6	0.9	22.0
Top Quintile	-0.8	26.9	965	2.2	-0.3	37.4	0.6	28.2
All	-0.6	100.0	190	3.1	0.0	100.0	0.5	16.0
<b>Addendum</b>								
80-90	-0.9	11.8	701	2.9	0.0	12.6	0.7	24.5
90-95	-1.0	6.4	1,018	3.0	0.0	6.5	0.8	26.3
95-99	-1.3	8.5	2,106	3.4	0.0	7.7	0.9	28.5
Top 1 Percent	0.0	0.3	349	0.1	-0.3	10.6	0.0	36.2
Top 0.1 Percent	0.0	0.0	3	0.0	-0.2	5.3	0.0	38.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	-898	-5.0	14,881	15.3	-6.4
Second Quintile	6,829	29.6	31,795	23.5	2,807	13.4	28,988	25.4	8.8
Middle Quintile	4,455	19.3	49,950	24.1	8,836	27.5	41,113	23.5	17.7
Fourth Quintile	2,489	10.8	71,792	19.3	15,176	26.4	56,616	18.1	21.1
Top Quintile	1,222	5.3	160,037	21.2	44,235	37.7	115,802	18.1	27.6
All	23,101	100.0	40,006	100.0	6,204	100.0	33,802	100.0	15.5
<b>Addendum</b>									
80-90	740	3.2	102,711	8.2	24,441	12.6	78,269	7.4	23.8
90-95	273	1.2	133,416	4.0	34,118	6.5	99,299	3.5	25.6
95-99	176	0.8	226,780	4.3	62,565	7.7	164,215	3.7	27.6
Top 1 Percent	32	0.1	1,339,304	4.7	485,014	10.9	854,290	3.5	36.2
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,585,797	5.5	4,164,636	1.6	38.3

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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	1	-0.1	0.0	-1.0	0.0	-7.0
Second Quintile	-0.3	2.6	82	2.2	0.0	3.8	0.2	10.4
Middle Quintile	-0.9	13.1	441	3.9	0.1	11.0	0.7	18.9
Fourth Quintile	-1.9	40.2	1,418	6.7	0.7	20.3	1.5	23.0
Top Quintile	-1.0	44.2	1,809	2.2	-0.7	65.9	0.7	31.1
<b>All</b>	<b>-1.0</b>	<b>100.0</b>	<b>685</b>	<b>3.3</b>	<b>0.0</b>	<b>100.0</b>	<b>0.8</b>	<b>24.6</b>
<b>Addendum</b>								
<b>80-90</b>	-1.2	16.2	1,212	3.5	0.0	15.2	0.9	25.8
<b>90-95</b>	-1.4	10.0	2,030	3.9	0.1	8.4	1.0	27.3
<b>95-99</b>	-1.6	17.8	3,677	3.9	0.1	14.9	1.1	30.1
<b>Top 1 Percent</b>	0.0	0.2	116	0.0	-0.9	27.4	0.0	37.7
<b>Top 0.1 Percent</b>	0.0	0.0	-6	0.0	-0.4	13.0	0.0	39.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	-1,019	-1.1	15,517	5.1	-7.0
Second Quintile	10,714	21.4	36,326	8.8	3,712	3.8	32,614	10.4	10.2
Middle Quintile	10,166	20.3	62,074	14.3	11,295	10.9	50,780	15.4	18.2
Fourth Quintile	9,735	19.4	97,977	21.6	21,140	19.6	76,837	22.3	21.6
Top Quintile	8,378	16.7	273,829	52.1	83,349	66.6	190,481	47.5	30.4
<b>All</b>	<b>50,150</b>	<b>100.0</b>	<b>87,888</b>	<b>100.0</b>	<b>20,921</b>	<b>100.0</b>	<b>66,967</b>	<b>100.0</b>	<b>23.8</b>
<b>Addendum</b>									
<b>80-90</b>	4,581	9.1	139,259	14.5	34,657	15.1	104,601	14.3	24.9
<b>90-95</b>	1,696	3.4	196,218	7.6	51,622	8.3	144,596	7.3	26.3
<b>95-99</b>	1,662	3.3	322,508	12.2	93,277	14.8	229,231	11.3	28.9
<b>Top 1 Percent</b>	439	0.9	1,792,201	17.9	675,867	28.3	1,116,334	14.6	37.7
<b>Top 0.1 Percent</b>	40	0.1	8,825,262	8.1	3,502,352	13.5	5,322,910	6.4	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 8 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 T12-0216**  
**Fiscal Cliff Analysis**  
**Step 9 of 9: Alternative Minimum Tax Patch**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.0	0.1	0.0	0.9
Second Quintile	0.0	0.2	1	0.1	0.0	0.9	0.0	2.1
Middle Quintile	0.0	2.2	8	0.4	0.0	4.2	0.0	5.7
Fourth Quintile	-0.1	11.0	54	0.7	0.0	11.0	0.1	12.1
Top Quintile	-0.3	86.7	405	0.7	0.0	83.7	0.2	29.1
<b>All</b>	<b>-0.2</b>	<b>100.0</b>	<b>88</b>	<b>0.7</b>	<b>0.0</b>	<b>100.0</b>	<b>0.1</b>	<b>19.8</b>
<b>Addendum</b>								
<b>80-90</b>	-0.1	10.1	103	0.6	0.0	11.9	0.1	18.2
<b>90-95</b>	-0.2	12.0	210	0.7	0.0	11.5	0.2	22.1
<b>95-99</b>	-0.7	53.8	1,142	1.9	0.2	20.2	0.5	28.2
<b>Top 1 Percent</b>	-0.1	10.8	945	0.2	-0.2	40.1	0.1	40.8
<b>Top 0.1 Percent</b>	0.0	0.0	-36	0.0	-0.1	20.7	0.0	42.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>
	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	97	0.1	10,188	2.8	0.9
Second Quintile	8,903	25.3	22,201	8.6	459	0.9	21,743	10.4	2.1
Middle Quintile	8,102	23.1	41,688	14.6	2,374	4.2	39,314	17.1	5.7
Fourth Quintile	6,300	17.9	66,058	18.0	7,932	11.0	58,127	19.7	12.0
Top Quintile	6,648	18.9	197,406	56.7	57,089	83.6	140,317	50.2	28.9
<b>All</b>	<b>35,135</b>	<b>100.0</b>	<b>65,837</b>	<b>100.0</b>	<b>12,916</b>	<b>100.0</b>	<b>52,922</b>	<b>100.0</b>	<b>19.6</b>
<b>Addendum</b>									
<b>80-90</b>	3,052	8.7	98,141	13.0	17,776	12.0	80,365	13.2	18.1
<b>90-95</b>	1,778	5.1	133,313	10.3	29,248	11.5	104,066	10.0	21.9
<b>95-99</b>	1,463	4.2	223,287	14.1	61,863	20.0	161,424	12.7	27.7
<b>Top 1 Percent</b>	354	1.0	1,267,910	19.4	516,029	40.3	751,881	14.3	40.7
<b>Top 0.1 Percent</b>	35	0.1	6,252,940	9.6	2,678,278	20.9	3,574,662	6.8	42.8

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 8 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.

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