

Table T12-0229
Fiscal Cliff Provisions
Tax Increases by Cash Income Percentile, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Tax Units with a Tax Increase ⁵									
	Number (thousands)	Percent of Total	All Fiscal Cliff Provisions		Payroll Tax		Health Care Law Provisions		High Income Capital Gains and Dividends		High Income Rates, Pease, and PEP	
			Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)
Lowest Quintile	40,520	25.6	67.1	590	62.4	192	0.4	43	0.0	0	0.0	0
Second Quintile	36,208	22.9	88.5	1,327	74.7	487	2.5	80	0.0	0	0.0	0
Middle Quintile	31,370	19.8	98.6	1,942	81.0	830	4.7	151	0.0	0	0.0	0
Fourth Quintile	26,062	16.5	99.8	3,415	85.8	1,324	5.1	260	0.0	0	0.0	0
Top Quintile	23,189	14.7	99.9	12,964	89.5	2,179	18.1	6,311	6.8	14,566	7.3	31,093
All	158,260	100.0	88.4	3,637	76.6	942	5.1	3,360	1.0	14,566	1.1	31,093
Addendum												
80-90	11,692	7.4	100.0	6,162	89.2	1,902	5.0	464	0.0	0	0.0	0
90-95	5,736	3.6	100.0	7,830	90.2	2,297	4.2	614	0.1	846	0.1	149
95-99	4,615	2.9	99.7	14,085	89.0	2,572	48.5	1,088	14.1	1,662	16.5	1,695
Top 1 Percent	1,147	0.7	100.0	103,445	90.2	2,820	98.9	20,807	81.1	23,684	81.6	55,158
Top 0.1 Percent	117	0.1	100.0	532,351	90.6	2,940	99.7	119,037	92.6	133,620	90.0	281,328

Cash Income Percentile ^{2,3}	Tax Units with a Tax Increase									
	Stimulus Provisions EITC, CTC, and AOTC		Certain Individual Income Tax Extenders ⁶		Estate Tax		Other 2001-03 Tax Provisions		Alternative Minimum Tax Patch	
	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)	Percent within Class	Avg Tax Increase (\$)
Lowest Quintile	22.4	934	0.7	63	0.0	0	20.9	255	0.0	0
Second Quintile	19.6	943	4.1	121	*	**	74.8	746	1.4	861
Middle Quintile	13.5	762	9.6	149	*	**	92.4	961	8.4	1,231
Fourth Quintile	7.9	928	17.8	245	0.1	420,493	98.2	1,479	28.2	1,563
Top Quintile	7.6	1,349	21.9	433	0.1	1,021,626	97.7	3,973	47.8	2,657
All	15.4	937	9.2	275	*	**	71.3	1,579	13.6	2,069
Addendum										
80-90	10.2	1,123	23.7	397	0.1	495,156	98.9	2,934	44.5	2,126
90-95	9.7	1,843	30.9	475	0.1	736,449	99.0	3,857	43.4	2,030
95-99	0.4	1,078	11.3	488	0.2	1,143,538	95.4	5,850	72.3	3,923
Top 1 Percent	*	**	1.2	129	0.3	2,063,900	88.8	8,292	5.5	4,259
Top 0.1 Percent	*	**	0.3	121	0.5	3,910,597	74.9	10,385	0.2	2,658

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

(1) Calendar year. Provisions are stacked in the order listed. 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. For a description of TPC's current policy baseline, see:

<http://taxpolicycenter.org/numbers/displayatab.cfm?Docid=3131>

(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.

(4) Threshold for tax increase is \$10. Average is calculated for those tax units with a tax increase. For a description of the provisions, see

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

(6) Deduction for state and local sales taxes, the above-the-line deduction for education expenses, and the educator expense deduction.