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**Table T12-0163**  
**S. 3412 The Middle Class Tax Cut Act**  
**Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions**  
**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile, 2013 <sup>1</sup>**  
**Summary Table**

Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <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>	
	With Tax Cut		With Tax Increase					Change (%)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	2.5
Second Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	8.6
Middle Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	13.7
Fourth Quintile	0.0	0	0.0	0	0.0	0.4	13	0.0	16.2
Top Quintile	0.0	0	9.4	35,233	-1.4	99.5	3,184	1.1	23.3
All	0.0	0	1.4	35,451	-0.7	100.0	463	0.6	18.2
<b>Addendum</b>									
80-90	0.0	0	*	**	0.0	0.7	46	0.0	18.2
90-95	0.0	0	0.5	25,286	-0.1	0.9	121	0.1	19.2
95-99	0.0	0	22.3	5,358	-0.3	5.9	944	0.3	22.0
Top 1 Percent	0.0	0	95.7	62,608	-4.4	91.9	58,435	3.2	30.9
Top 0.1 Percent	0.0	0	99.4	344,441	-5.6	54.0	336,891	4.0	32.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.4

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(2) Tax units with negative income are excluded from the lowest income class but are included in the totals. For a description of 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% \$24,125; 40% \$48,424; 60% \$80,181; 80% \$133,185; 90% \$180,192; 95% \$252,055; 99% \$596,998; 99.9% \$2,858,701.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.

**Table T12-0163**  
**S. 3412 The Middle Class Tax Cut Act**  
**Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions**  
**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile, 2013<sup>1</sup>**  
**Detail Table**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			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	0.6	0.0	2.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	4.7	0.0	8.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.4	11.6	0.0	13.7
Fourth Quintile	0.0	0.0	0.0	0.4	13	0.1	-0.6	17.8	0.0	16.2
Top Quintile	0.0	9.4	-1.4	99.5	3,184	4.9	1.1	65.2	1.1	23.3
All	0.0	1.4	-0.7	100.0	463	3.2	0.0	100.0	0.6	18.2
<b>Addendum</b>										
80-90	0.0	*	0.0	0.7	46	0.2	-0.4	13.7	0.0	18.2
90-95	0.0	0.5	-0.1	0.9	121	0.3	-0.3	9.6	0.1	19.2
95-99	0.0	22.3	-0.3	5.9	944	1.2	-0.3	14.8	0.3	22.0
Top 1 Percent	0.0	95.7	-4.4	91.9	58,435	11.6	2.1	27.2	3.2	30.9
Top 0.1 Percent	0.0	99.4	-5.6	54.0	336,891	14.0	1.3	13.5	4.0	32.7

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

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	41,971	26.5	13,406	4.3	340	0.6	13,066	5.1	2.5	
Second Quintile	35,970	22.7	36,245	9.9	3,121	4.9	33,124	11.0	8.6	
Middle Quintile	31,622	20.0	63,644	15.3	8,726	11.9	54,918	16.0	13.7	
Fourth Quintile	25,162	15.9	104,502	20.0	16,862	18.4	87,640	20.4	16.1	
Top Quintile	22,869	14.5	292,311	50.9	64,856	64.1	227,454	48.0	22.2	
All	158,260	100.0	83,068	100.0	14,612	100.0	68,456	100.0	17.6	
<b>Addendum</b>										
80-90	11,472	7.3	155,802	13.6	28,338	14.1	127,465	13.5	18.2	
90-95	5,670	3.6	210,881	9.1	40,439	9.9	170,443	8.9	19.2	
95-99	4,576	2.9	351,008	12.2	76,154	15.1	274,854	11.6	21.7	
Top 1 Percent	1,151	0.7	1,820,417	15.9	504,140	25.1	1,316,278	14.0	27.7	
Top 0.1 Percent	117	0.1	8,392,360	7.5	2,407,288	12.2	5,985,072	6.5	28.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.4

\* Less than 0.05

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, 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 breaks are (in 2012 dollars): 20% \$24,125; 40% \$48,424; 60% \$80,181; 80% \$133,185; 90% \$180,192; 95% \$252,055; 99% \$596,998; 99.9% \$2,858,701.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.

**Table T12-0163**  
**S. 3412 The Middle Class Tax Cut Act**  
**Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions**  
**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			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	-0.2	0.0	-1.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	2.9	0.0	6.5
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.3	9.0	0.0	12.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.6	17.9	0.0	16.0
Top Quintile	0.0	7.3	-1.3	99.9	2,488	4.6	0.9	70.4	1.0	23.1
All	0.0	1.4	-0.7	100.0	463	3.2	0.0	100.0	0.6	18.2
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.2	10	0.0	-0.5	14.9	0.0	18.2
90-95	0.0	0.1	0.0	0.5	52	0.1	-0.3	11.3	0.0	19.7
95-99	0.0	15.4	-0.3	5.2	645	1.0	-0.4	16.1	0.2	21.7
Top 1 Percent	0.0	90.8	-4.3	94.0	50,117	11.5	2.1	28.0	3.2	30.6
Top 0.1 Percent	0.0	99.3	-5.6	56.4	297,313	14.0	1.3	14.1	4.0	32.7

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

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	34,769	22.0	12,518	3.3	-151	-0.2	12,669	4.1	-1.2	
Second Quintile	32,569	20.6	32,468	8.0	2,106	3.0	30,362	9.1	6.5	
Middle Quintile	31,107	19.7	56,462	13.4	6,881	9.3	49,581	14.2	12.2	
Fourth Quintile	29,758	18.8	89,808	20.3	14,355	18.5	75,453	20.7	16.0	
Top Quintile	29,391	18.6	247,408	55.3	54,621	69.4	192,787	52.3	22.1	
All	158,260	100.0	83,068	100.0	14,612	100.0	68,456	100.0	17.6	
<b>Addendum</b>										
80-90	14,652	9.3	133,237	14.9	24,278	15.4	108,958	14.7	18.2	
90-95	7,515	4.8	181,507	10.4	35,718	11.6	145,789	10.1	19.7	
95-99	5,851	3.7	302,672	13.5	65,165	16.5	237,507	12.8	21.5	
Top 1 Percent	1,373	0.9	1,590,841	16.6	436,913	25.9	1,153,928	14.6	27.5	
Top 0.1 Percent	139	0.1	7,397,802	7.8	2,122,003	12.8	5,275,799	6.8	28.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.4

\* Less than 0.05

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see

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(2) Tax units with negative income are excluded from the lowest income class but are included in the totals. For a description of 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% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.

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**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Single Tax Units**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	1.7	0.0	4.7
Second Quintile	0.0	0.0	0.0	0.1	1	0.0	-0.2	6.5	0.0	9.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.4	13.7	0.0	14.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.6	23.2	0.0	18.3
Top Quintile	0.0	5.0	-1.5	99.6	1,846	5.0	1.2	54.8	1.2	24.3
All	0.0	0.6	-0.6	100.0	210	2.7	0.0	100.0	0.5	18.0
<b>Addendum</b>										
80-90	0.0	*	0.0	0.9	31	0.2	-0.4	14.2	0.0	20.4
90-95	0.0	0.1	-0.2	2.4	178	0.6	-0.2	10.0	0.1	21.8
95-99	0.0	10.2	-0.7	11.9	1,173	2.5	0.0	12.6	0.6	22.8
Top 1 Percent	0.0	84.6	-5.6	84.5	43,228	13.9	1.8	18.2	4.0	32.9
Top 0.1 Percent	0.0	99.3	-7.0	49.4	255,725	15.8	1.1	9.5	4.9	35.7

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

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	21,632	30.0	9,749	6.6	458	1.8	9,291	7.6	4.7	
Second Quintile	17,103	23.7	24,450	13.1	2,189	6.7	22,260	14.4	9.0	
Middle Quintile	13,372	18.6	41,483	17.3	5,900	14.0	35,583	18.0	14.2	
Fourth Quintile	11,409	15.8	64,084	22.8	11,733	23.8	52,351	22.6	18.3	
Top Quintile	8,154	11.3	159,695	40.7	36,978	53.6	122,717	37.9	23.2	
All	72,035	100.0	44,475	100.0	7,806	100.0	36,668	100.0	17.6	
<b>Addendum</b>										
80-90	4,293	6.0	93,366	12.5	18,996	14.5	74,370	12.1	20.4	
90-95	2,037	2.8	129,733	8.3	28,063	10.2	101,670	7.8	21.6	
95-99	1,529	2.1	208,423	9.9	46,260	12.6	162,163	9.4	22.2	
Top 1 Percent	295	0.4	1,078,755	9.9	311,958	16.4	766,797	8.6	28.9	
Top 0.1 Percent	29	0.0	5,264,934	4.8	1,622,341	8.4	3,642,594	4.0	30.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

\* Less than 0.05

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.

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**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			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	-0.1	0.0	-2.0
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.1	0.0	5.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	5.7	0.0	10.5
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.5	15.1	0.0	14.8
Top Quintile	0.0	8.4	-1.2	100.0	2,769	4.5	0.8	78.0	1.0	22.7
All	0.0	2.7	-0.8	100.0	901	3.4	0.0	100.0	0.6	19.0
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.5	15.4	0.0	17.5
90-95	0.0	0.1	0.0	0.0	4	0.0	-0.4	12.1	0.0	19.1
95-99	0.0	17.3	-0.2	3.5	463	0.6	-0.5	18.2	0.1	21.4
Top 1 Percent	0.0	92.9	-4.1	96.5	51,613	11.0	2.2	32.4	3.0	30.2
Top 0.1 Percent	0.0	99.4	-5.4	57.4	306,823	13.7	1.4	15.9	3.9	32.2

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

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	5,058	8.3	18,078	1.1	-354	-0.1	18,432	1.3	-2.0	
Second Quintile	7,907	13.0	44,396	4.1	2,336	1.2	42,060	4.7	5.3	
Middle Quintile	12,517	20.6	71,333	10.3	7,514	5.9	63,819	11.3	10.5	
Fourth Quintile	15,281	25.2	110,309	19.5	16,306	15.7	94,003	20.4	14.8	
Top Quintile	19,753	32.5	286,327	65.4	62,257	77.3	224,070	62.7	21.7	
All	60,744	100.0	142,360	100.0	26,199	100.0	116,161	100.0	18.4	
<b>Addendum</b>										
80-90	9,475	15.6	152,668	16.7	26,685	15.9	125,983	16.9	17.5	
90-95	5,151	8.5	203,608	12.1	38,808	12.6	164,800	12.0	19.1	
95-99	4,104	6.8	340,075	16.1	72,320	18.7	267,755	15.6	21.3	
Top 1 Percent	1,022	1.7	1,726,181	20.4	469,720	30.2	1,256,461	18.2	27.2	
Top 0.1 Percent	102	0.2	7,928,538	9.4	2,247,244	14.5	5,681,293	8.2	28.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

\* Less than 0.05

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Tax units with negative income are excluded from the lowest income class but are included in the totals. For a description of 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% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.



**Table T12-0163**  
**S. 3412 The Middle Class Tax Cut Act**  
**Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions**  
**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	-11.7	0.0	-10.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.5	0.0	4.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.4	31.3	0.0	13.1
Fourth Quintile	0.0	0.0	0.0	0.2	1	0.0	-0.4	31.1	0.0	17.0
Top Quintile	0.0	4.0	-1.0	99.8	1,440	3.3	0.8	39.8	0.7	23.3
All	0.0	0.2	-0.2	100.0	64	1.3	0.0	100.0	0.1	10.7
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.2	5	0.0	-0.2	14.2	0.0	20.1
90-95	0.0	*	0.0	0.3	23	0.1	-0.1	5.9	0.0	20.9
95-99	0.0	11.1	-0.2	4.3	409	0.7	-0.1	8.3	0.2	23.3
Top 1 Percent	0.0	86.9	-4.6	95.0	50,480	11.8	1.1	11.4	3.3	31.1
Top 0.1 Percent	0.0	99.0	-5.9	57.7	311,952	14.7	0.7	5.7	4.2	32.8

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

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	7,853	34.0	16,583	11.9	-1,737	-11.8	18,320	14.7	-10.5	
Second Quintile	7,113	30.8	38,657	25.1	1,550	9.6	37,107	26.9	4.0	
Middle Quintile	4,602	19.9	60,601	25.5	7,943	31.7	52,658	24.7	13.1	
Fourth Quintile	2,452	10.6	86,842	19.4	14,797	31.5	72,044	18.0	17.0	
Top Quintile	1,028	4.5	194,442	18.3	43,770	39.0	150,673	15.8	22.5	
All	23,101	100.0	47,399	100.0	4,990	100.0	42,409	100.0	10.5	
<b>Addendum</b>										
80-90	652	2.8	126,141	7.5	25,342	14.3	100,799	6.7	20.1	
90-95	193	0.8	171,752	3.0	35,907	6.0	135,845	2.7	20.9	
95-99	156	0.7	268,596	3.8	62,083	8.4	206,513	3.3	23.1	
Top 1 Percent	28	0.1	1,532,857	3.9	426,328	10.3	1,106,529	3.2	27.8	
Top 0.1 Percent	3	0.0	7,432,229	1.9	2,129,105	5.1	5,303,123	1.5	28.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

\* Less than 0.05

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Tax units with negative income are excluded from the lowest income class but are included in the totals. For a description of 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% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is 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 income.

**Table T12-0163**  
**S. 3412 The Middle Class Tax Cut Act**  
**Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions**  
**Proposal Plus 2013 AMT Patch and Extension of 2009 Estate Tax Law**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	-2.3	0.0	-11.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	2.0	0.0	3.9
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.3	10.3	0.0	12.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.7	20.4	0.0	16.0
Top Quintile	0.0	10.3	-1.4	100.0	3,435	4.7	1.0	69.5	1.1	23.7
All	0.0	1.8	-0.7	100.0	585	3.3	0.0	100.0	0.6	17.5
<b>Addendum</b>										
80-90	0.0	0.0	0.0	0.0	1	0.0	-0.5	15.7	0.0	18.4
90-95	0.0	0.3	0.0	0.0	4	0.0	-0.3	9.9	0.0	20.1
95-99	0.0	28.8	-0.3	5.2	946	1.1	-0.3	15.8	0.2	22.9
Top 1 Percent	0.0	97.3	-4.6	94.7	65,984	11.8	2.2	28.2	3.3	31.5
Top 0.1 Percent	0.0	99.6	-5.7	50.7	375,407	14.0	1.2	13.0	4.1	33.0

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

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	10,614	21.2	17,423	3.5	-2,031	-2.4	19,455	4.7	-11.7	
Second Quintile	10,772	21.5	44,074	8.9	1,737	2.1	42,337	10.3	3.9	
Middle Quintile	10,131	20.2	75,908	14.4	9,446	10.6	66,462	15.2	12.4	
Fourth Quintile	9,943	19.8	120,141	22.4	19,171	21.1	100,970	22.6	16.0	
Top Quintile	8,545	17.0	319,974	51.2	72,458	68.5	247,517	47.7	22.6	
All	50,150	100.0	106,480	100.0	18,015	100.0	88,465	100.0	16.9	
<b>Addendum</b>										
80-90	4,601	9.2	172,811	14.9	31,742	16.2	141,069	14.6	18.4	
90-95	1,899	3.8	242,779	8.6	48,666	10.2	194,113	8.3	20.1	
95-99	1,624	3.2	396,122	12.1	89,706	16.1	306,416	11.2	22.7	
Top 1 Percent	421	0.8	1,981,464	15.6	557,833	26.0	1,423,632	13.5	28.2	
Top 0.1 Percent	40	0.1	9,255,195	6.9	2,675,850	11.7	6,579,346	5.9	28.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

\* Less than 0.05

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, 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% \$16,596; 40% \$31,921; 60% \$50,160; 80% \$78,784; 90% \$109,140; 95% \$150,645; 99% \$349,271; 99.9% \$1,697,732.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</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>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.2	0.0	0.2	0.0	1.0
Second Quintile	0.0	0.0	0.0	0.0	1	0.1	-0.1	1.3	0.0	2.1
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.3	5.1	0.0	5.2
Fourth Quintile	0.0	0.0	0.0	0.0	1	0.0	-0.6	12.1	0.0	9.9
Top Quintile	0.0	7.8	-1.5	99.8	2,943	6.3	0.9	81.2	1.2	20.7
All	0.0	1.4	-0.8	100.0	544	5.1	0.0	100.0	0.7	14.5
<b>Addendum</b>										
80-90	0.0	*	0.0	0.5	33	0.2	-0.6	12.6	0.0	13.6
90-95	0.0	0.1	-0.2	2.0	228	0.9	-0.5	11.0	0.1	16.0
95-99	0.0	12.6	-0.6	9.7	1,294	2.5	-0.5	19.2	0.5	19.1
Top 1 Percent	0.0	87.0	-4.4	87.6	45,394	12.4	2.5	38.3	3.3	29.6
Top 0.1 Percent	0.0	99.2	-5.7	50.9	274,936	14.5	1.6	19.5	4.1	32.3

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

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	6,267	17.8	12,469	2.9	127	0.2	12,342	3.3	1.0	
Second Quintile	8,703	24.8	26,837	8.6	564	1.3	26,273	9.7	2.1	
Middle Quintile	7,722	22.0	50,187	14.2	2,619	5.4	47,568	15.6	5.2	
Fourth Quintile	5,946	16.9	81,150	17.7	8,059	12.8	73,091	18.5	9.9	
Top Quintile	6,478	18.4	238,690	56.8	46,533	80.3	192,157	53.0	19.5	
All	35,135	100.0	77,552	100.0	10,689	100.0	66,862	100.0	13.8	
<b>Addendum</b>										
80-90	3,034	8.6	120,467	13.4	16,356	13.2	104,111	13.5	13.6	
90-95	1,643	4.7	165,797	10.0	26,307	11.5	139,490	9.8	15.9	
95-99	1,433	4.1	276,973	14.6	51,687	19.7	225,286	13.7	18.7	
Top 1 Percent	369	1.1	1,387,789	18.8	365,015	35.8	1,022,774	16.1	26.3	
Top 0.1 Percent	35	0.1	6,729,710	8.7	1,896,223	17.9	4,833,487	7.3	28.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-3).

\* Less than 0.05

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current policy with AMT exemption amounts of \$79,850 for married couples filing a joint return, \$51,150 for others (\$39,925 for married individuals filing separate returns). Proposal would: a) extend a portion of the 33 percent bracket; b) raise the 33 percent rate to 36 percent beginning at a threshold of \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); c) raise the top tax rate to 39.6 percent; d) reinstate PEP and Pease at thresholds of \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets; and f) extend the 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. For a description of TPC's current law and current policy baselines, see

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