

Table T12-0304

S. 3412 The Middle Class Tax Cut Act

Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions

Proposal As Introduced (No 2013 AMT Patch and Pre-2001 Estate Tax Law)

Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 as Introduced

Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹

Summary Table

Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut		With Tax Increase					Change (%) (Points)	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	1.9
Second Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	9.6
Middle Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	15.8
Fourth Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	19.8
Top Quintile	7.6	-12,622	0.0	0	0.6	100.0	-960	-0.4	29.2
All	1.1	-12,622	0.0	0	0.3	100.0	-141	-0.2	22.4
Addendum									
80-90	0.0	0	0.0	0	0.0	0.0	0	0.0	23.3
90-95	0.1	-385	0.0	0	0.0	0.0	0	0.0	25.5
95-99	15.8	-1,380	0.0	0	0.1	4.5	-218	-0.1	28.9
Top 1 Percent	89.6	-20,678	0.0	0	1.8	95.5	-18,520	-1.1	35.9
Top 0.1 Percent	95.2	-34,096	0.0	0	0.7	17.0	-32,440	-0.4	38.8

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

Number of AMT Taxpayers (millions). Baseline: 33.5

Proposal: 33.9

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see

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

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

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Baseline: S.3412 As Introduced
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		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	
	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	0.0	0.4	0.0	1.9
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.2	0.0	9.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	10.5	0.0	15.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	17.6	0.0	19.8
Top Quintile	7.6	0.0	0.6	100.0	-960	-1.3	-0.3	67.1	-0.4	29.2
All	1.1	0.0	0.3	100.0	-141	-0.9	0.0	100.0	-0.2	22.4
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	13.9	0.0	23.3
90-95	0.1	0.0	0.0	0.0	0	0.0	0.1	9.9	0.0	25.5
95-99	15.8	0.0	0.1	4.5	-218	-0.3	0.1	15.5	-0.1	28.9
Top 1 Percent	89.6	0.0	1.8	95.5	-18,520	-3.0	-0.6	27.9	-1.1	35.9
Top 0.1 Percent	95.2	0.0	0.7	17.0	-32,440	-1.0	0.0	14.6	-0.4	38.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	213	0.4	11,077	5.3	1.9
Second Quintile	36,208	22.9	30,031	9.9	2,886	4.2	27,146	11.6	9.6
Middle Quintile	31,370	19.8	52,294	14.9	8,278	10.4	44,015	16.2	15.8
Fourth Quintile	26,062	16.5	84,355	20.0	16,673	17.4	67,682	20.7	19.8
Top Quintile	23,189	14.7	244,576	51.5	72,442	67.4	172,134	46.9	29.6
All	158,260	100.0	69,527	100.0	15,741	100.0	53,785	100.0	22.6
Addendum									
80-90	11,692	7.4	125,820	13.4	29,327	13.8	96,493	13.3	23.3
90-95	5,736	3.6	166,808	8.7	42,460	9.8	124,348	8.4	25.5
95-99	4,615	2.9	287,453	12.1	83,363	15.4	204,091	11.1	29.0
Top 1 Percent	1,147	0.7	1,671,536	17.4	617,940	28.5	1,053,596	14.2	37.0
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,128,887	14.7	4,856,938	6.7	39.2

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

Number of AMT Taxpayers (millions). Baseline: 33.5

Proposal: 33.9

* Less than 0.05

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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

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

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

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Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced

Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		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	
	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	0.0	-0.4	0.0	-2.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	7.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	8.4	0.0	14.3
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	17.3	0.0	19.4
Top Quintile	5.8	0.0	0.5	100.0	-736	-1.2	-0.3	71.9	-0.4	28.7
All	1.1	0.0	0.3	100.0	-141	-0.9	0.0	100.0	-0.2	22.4
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	14.9	0.0	23.0
90-95	*	0.0	0.0	0.0	0	0.0	0.1	11.4	0.0	24.9
95-99	9.7	0.0	0.1	4.0	-150	-0.2	0.1	16.7	-0.1	28.2
Top 1 Percent	85.9	0.0	1.7	96.0	-15,539	-2.9	-0.6	28.9	-1.1	35.8
Top 0.1 Percent	95.0	0.0	0.7	19.4	-31,012	-1.1	0.0	15.3	-0.4	38.8

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

Cash Income Percentile ^{2,3}	Tax Units		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	-271	-0.4	10,823	4.3	-2.6
Second Quintile	32,563	20.6	26,837	7.9	2,028	2.7	24,809	9.5	7.6
Middle Quintile	31,164	19.7	46,562	13.2	6,642	8.3	39,920	14.6	14.3
Fourth Quintile	29,985	19.0	73,219	20.0	14,212	17.1	59,007	20.8	19.4
Top Quintile	30,233	19.1	204,490	56.2	59,440	72.1	145,050	51.5	29.1
All	158,260	100.0	69,527	100.0	15,741	100.0	53,785	100.0	22.6
Addendum									
80-90	14,991	9.5	106,847	14.6	24,520	14.8	82,327	14.5	23.0
90-95	7,896	5.0	142,978	10.3	35,643	11.3	107,335	10.0	24.9
95-99	5,972	3.8	244,529	13.3	69,164	16.6	175,365	12.3	28.3
Top 1 Percent	1,374	0.9	1,448,832	18.1	534,758	29.5	914,074	14.8	36.9
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,740,242	15.3	4,249,723	7.0	39.2

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

Number of AMT Taxpayers (millions). Baseline: 33.5

Proposal: 33.9

* Less than 0.05

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2012 dollars): 20% \$13,941; 40% \$26,136; 60% \$41,226; 80% \$64,003; 90% \$88,398; 95% \$122,605; 99% \$295,996; 99.9% \$1,565,087.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

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Proposal As Introduced (No 2013 AMT Patch and Pre-2001 Estate Tax Law)
Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced
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 of Tax Units ⁴		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	
	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	0.0	1.4	0.0	5.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	9.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	11.8	0.0	15.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	21.0	0.0	20.5
Top Quintile	3.6	0.0	0.3	100.0	-296	-0.8	-0.2	60.1	-0.2	29.2
All	0.5	0.0	0.1	100.0	-38	-0.5	0.0	100.0	-0.1	21.4
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	14.2	0.0	23.8
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	10.7	0.0	25.4
95-99	3.5	0.0	0.0	1.8	-27	-0.1	0.1	14.9	0.0	28.7
Top 1 Percent	79.2	0.0	1.4	98.2	-8,009	-2.2	-0.4	20.3	-0.9	38.6
Top 0.1 Percent	95.9	0.0	0.9	27.5	-24,710	-1.2	-0.1	10.5	-0.5	41.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	431	1.4	7,661	6.8	5.3
Second Quintile	17,211	23.9	20,316	12.4	1,956	5.6	18,360	14.3	9.6
Middle Quintile	13,567	18.8	34,462	16.6	5,225	11.7	29,237	17.9	15.2
Fourth Quintile	11,717	16.3	52,696	21.9	10,774	20.9	41,922	22.2	20.5
Top Quintile	9,354	13.0	132,560	44.0	38,954	60.3	93,606	39.5	29.4
All	72,035	100.0	39,146	100.0	8,394	100.0	30,752	100.0	21.4
Addendum									
80-90	4,749	6.6	75,578	12.7	18,012	14.2	57,566	12.3	23.8
90-95	2,416	3.4	104,552	9.0	26,599	10.6	77,952	8.5	25.4
95-99	1,849	2.6	168,798	11.1	48,534	14.8	120,264	10.0	28.8
Top 1 Percent	340	0.5	931,104	11.2	367,442	20.6	563,662	8.6	39.5
Top 0.1 Percent	31	0.0	4,955,926	5.4	2,080,365	10.6	2,875,562	4.0	42.0

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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(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.

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Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced
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 of Tax Units ⁴		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	
	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	0.0	-0.2	0.0	-3.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	6.7
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	5.6	0.0	12.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	15.0	0.0	18.6
Top Quintile	7.1	0.0	0.6	100.0	-977	-1.4	-0.2	78.2	-0.4	28.5
All	2.2	0.0	0.4	100.0	-309	-1.1	0.0	100.0	-0.3	23.9
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.2	15.2	0.0	22.5
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	12.0	0.0	24.6
95-99	12.6	0.0	0.1	4.3	-208	-0.3	0.2	18.1	-0.1	28.0
Top 1 Percent	88.7	0.0	1.8	95.7	-18,399	-3.1	-0.7	32.9	-1.1	35.3
Top 0.1 Percent	94.9	0.0	0.7	18.1	-33,726	-1.2	0.0	17.2	-0.5	38.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	-535	-0.2	15,021	1.5	-3.7
Second Quintile	8,093	13.3	36,595	4.2	2,448	1.2	34,147	5.1	6.7
Middle Quintile	12,453	20.5	58,915	10.4	7,617	5.5	51,297	11.9	12.9
Fourth Quintile	15,271	25.1	89,679	19.3	16,697	14.9	72,982	20.7	18.6
Top Quintile	19,208	31.6	241,961	65.5	70,017	78.5	171,944	61.4	28.9
All	60,744	100.0	116,746	100.0	28,222	100.0	88,524	100.0	24.2
Addendum									
80-90	9,257	15.2	123,947	16.2	27,877	15.1	96,070	16.5	22.5
90-95	5,109	8.4	162,264	11.7	39,970	11.9	122,294	11.6	24.6
95-99	3,865	6.4	282,834	15.4	79,482	17.9	203,352	14.6	28.1
Top 1 Percent	977	1.6	1,615,663	22.3	589,156	33.6	1,026,507	18.6	36.5
Top 0.1 Percent	101	0.2	7,547,627	10.7	2,927,961	17.2	4,619,665	8.7	38.8

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T12-0304
S. 3412 The Middle Class Tax Cut Act
Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Proposal As Introduced (No 2013 AMT Patch and Pre-2001 Estate Tax Law)
Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced
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 of Tax Units ⁴		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	
	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	-12.4	0.0	-13.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	8.9	0.0	4.9
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	29.0	0.0	15.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	30.4	0.0	20.5
Top Quintile	3.1	0.0	0.3	100.0	-377	-0.9	-0.2	44.1	-0.2	27.2
All	0.2	0.0	0.1	100.0	-20	-0.4	0.0	100.0	-0.1	13.1
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	15.0	0.0	23.9
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	7.8	0.0	25.7
95-99	7.1	0.0	0.1	4.8	-125	-0.2	0.0	9.1	-0.1	27.6
Top 1 Percent	79.5	0.0	1.6	95.2	-13,612	-2.9	-0.3	12.2	-1.0	34.0
Top 0.1 Percent	95.4	0.0	0.7	19.5	-29,617	-1.2	-0.1	6.3	-0.4	36.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	-1,863	-12.4	15,846	15.9	-13.3
Second Quintile	6,829	29.6	31,795	23.5	1,564	8.8	30,231	25.7	4.9
Middle Quintile	4,455	19.3	49,950	24.1	7,852	28.9	42,098	23.4	15.7
Fourth Quintile	2,489	10.8	71,792	19.3	14,718	30.2	57,074	17.7	20.5
Top Quintile	1,222	5.3	160,037	21.2	43,937	44.3	116,100	17.7	27.5
All	23,101	100.0	40,006	100.0	5,244	100.0	34,762	100.0	13.1
Addendum									
80-90	740	3.2	102,711	8.2	24,497	15.0	78,213	7.2	23.9
90-95	273	1.2	133,416	4.0	34,300	7.7	99,117	3.4	25.7
95-99	176	0.8	226,780	4.3	62,812	9.1	163,968	3.6	27.7
Top 1 Percent	32	0.1	1,339,304	4.7	469,536	12.5	869,767	3.5	35.1
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,522,420	6.3	4,228,012	1.6	37.4

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T12-0304
S. 3412 The Middle Class Tax Cut Act
Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Proposal As Introduced (No 2013 AMT Patch and Pre-2001 Estate Tax Law)

Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced

Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		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	
	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	0.0	-2.4	0.0	-14.9
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.1	0.0	5.2
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	10.2	0.0	15.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.2	20.4	0.0	21.0
Top Quintile	8.6	0.0	0.7	100.0	-1,289	-1.6	-0.3	69.6	-0.5	29.7
All	1.4	0.0	0.3	100.0	-215	-1.1	0.0	100.0	-0.2	22.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.2	16.1	0.0	24.7
90-95	0.1	0.0	0.0	0.0	0	0.0	0.1	9.1	0.0	26.8
95-99	19.3	0.0	0.2	6.4	-415	-0.4	0.1	16.0	-0.1	29.3
Top 1 Percent	90.9	0.0	2.0	93.6	-23,002	-3.5	-0.7	28.3	-1.3	35.2
Top 0.1 Percent	95.6	0.0	0.7	13.1	-35,028	-1.0	0.0	13.9	-0.4	38.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	-2,155	-2.4	16,652	5.3	-14.9
Second Quintile	10,714	21.4	36,326	8.8	1,896	2.1	34,430	10.8	5.2
Middle Quintile	10,166	20.3	62,074	14.3	9,852	10.1	52,222	15.5	15.9
Fourth Quintile	9,735	19.4	97,977	21.6	20,545	20.2	77,432	22.1	21.0
Top Quintile	8,378	16.7	273,829	52.1	82,585	69.9	191,245	46.9	30.2
All	50,150	100.0	87,888	100.0	19,744	100.0	68,145	100.0	22.5
Addendum									
80-90	4,581	9.1	139,259	14.5	34,396	15.9	104,863	14.1	24.7
90-95	1,696	3.4	196,218	7.6	52,608	9.0	143,610	7.1	26.8
95-99	1,662	3.3	322,508	12.2	94,844	15.9	227,663	11.1	29.4
Top 1 Percent	439	0.9	1,792,201	17.9	654,295	29.0	1,137,905	14.6	36.5
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,407,189	13.9	5,418,073	6.4	38.6

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

* 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 S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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

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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T12-0304
S. 3412 The Middle Class Tax Cut Act
Senate Democratic Proposal to Extend 2001-10 Tax Cuts Except for Certain High-Income Provisions
Proposal As Introduced (No 2013 AMT Patch and Pre-2001 Estate Tax Law)

Incremental Effect of Raising "High-Income" Thresholds to \$1 million for Married Couples

Baseline: S.3412 As Introduced

Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		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	
	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	0.0	0.1	0.0	0.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	1.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.9	0.0	4.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.1	10.6	0.0	10.7
Top Quintile	6.5	0.0	0.4	100.0	-584	-1.1	-0.1	84.4	-0.3	26.9
All	1.2	0.0	0.2	100.0	-111	-0.9	0.0	100.0	-0.2	18.1
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.1	11.9	0.0	16.6
90-95	0.0	0.0	0.0	0.0	0	0.0	0.1	11.4	0.0	20.1
95-99	8.5	0.0	0.1	3.3	-89	-0.2	0.2	20.6	0.0	26.3
Top 1 Percent	86.1	0.0	1.4	96.7	-10,602	-2.2	-0.5	40.6	-0.8	37.8
Top 0.1 Percent	93.1	0.0	0.7	23.6	-25,924	-1.0	0.0	21.4	-0.4	40.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	10,198	2.8	0.8
Second Quintile	8,903	25.3	22,201	8.6	393	0.8	21,809	10.3	1.8
Middle Quintile	8,102	23.1	41,688	14.6	2,033	3.9	39,655	17.0	4.9
Fourth Quintile	6,300	17.9	66,058	18.0	7,049	10.5	59,009	19.7	10.7
Top Quintile	6,648	18.9	197,406	56.7	53,633	84.5	143,773	50.5	27.2
All	35,135	100.0	65,837	100.0	12,006	100.0	53,831	100.0	18.2
Addendum									
80-90	3,052	8.7	98,141	13.0	16,238	11.8	81,904	13.2	16.6
90-95	1,778	5.1	133,313	10.3	26,780	11.3	106,534	10.0	20.1
95-99	1,463	4.2	223,287	14.1	58,837	20.4	164,450	12.7	26.4
Top 1 Percent	354	1.0	1,267,910	19.4	489,305	41.1	778,605	14.6	38.6
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,549,265	21.4	3,703,675	6.9	40.8

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

* 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 S.3412 as introduced. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$800,000 (single), \$1 million (married), or \$900,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) raise PEP and Pease thresholds to \$1 million of AGI (married) and \$800,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the new top bracket. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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