

Table T12-0305
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
Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples
Baseline: S.3412 with AMT Patch and 2009 Estate Tax Law
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Summary Table

Cash Income Level (thousands of 2012 dollars) ²	Tax Units with Tax Increase or Cut ³				Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	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					
Less than 10	0.0	0	0.0	0	0.0	0.0	0	0.0	2.9
10-20	0.0	0	0.0	0	0.0	0.0	0	0.0	1.6
20-30	0.0	0	0.0	0	0.0	0.0	0	0.0	6.8
30-40	0.0	0	0.0	0	0.0	0.0	0	0.0	11.5
40-50	0.0	0	0.0	0	0.0	0.0	0	0.0	13.9
50-75	0.0	0	0.0	0	0.0	0.0	0	0.0	17.0
75-100	0.0	0	0.0	0	0.0	0.0	0	0.0	19.2
100-200	*	**	0.0	0	0.0	0.0	0	0.0	21.9
200-500	20.5	-1,747	0.0	0	0.2	14.7	-359	-0.1	26.1
500-1,000	86.4	-8,509	0.0	0	1.6	45.9	-7,354	-1.1	31.6
More than 1,000	95.1	-11,160	0.0	0	0.5	39.4	-10,614	-0.3	38.0
All	1.3	-5,753	0.0	0	0.1	100.0	-74	-0.1	21.5

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

Number of AMT Taxpayers (millions). Baseline: 3.4

Proposal: 3.9

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is S.3412 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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

Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy

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

Detail Table

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	1.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	6.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	11.5
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	3.7	0.0	13.9
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	11.4	0.0	17.0
75-100	0.0	0.0	0.0	0.0	0	0.0	0.1	10.5	0.0	19.2
100-200	*	0.0	0.0	0.0	0	0.0	0.1	25.0	0.0	21.9
200-500	20.5	0.0	0.2	14.7	-359	-0.5	0.0	15.0	-0.1	26.1
500-1,000	86.4	0.0	1.6	45.9	-7,354	-3.3	-0.2	6.6	-1.1	31.6
More than 1,000	95.1	0.0	0.5	39.4	-10,614	-0.8	-0.1	22.9	-0.3	38.0
All	1.3	0.0	0.1	100.0	-74	-0.5	0.0	100.0	-0.1	21.5

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	16,041	10.1	5,390	0.8	155	0.1	5,234	1.0	2.9
10-20	24,243	15.3	15,105	3.3	243	0.3	14,862	4.2	1.6
20-30	19,317	12.2	25,084	4.4	1,698	1.4	23,386	5.2	6.8
30-40	17,482	11.1	35,579	5.7	4,094	3.0	31,485	6.4	11.5
40-50	13,879	8.8	45,612	5.8	6,354	3.7	39,258	6.3	13.9
50-75	25,633	16.2	62,053	14.5	10,567	11.4	51,485	15.3	17.0
75-100	14,610	9.2	88,235	11.7	16,934	10.4	71,300	12.1	19.2
100-200	20,204	12.8	133,782	24.6	29,303	24.9	104,479	24.5	21.9
200-500	4,780	3.0	283,732	12.3	74,495	15.0	209,237	11.6	26.3
500-1,000	728	0.5	683,264	4.5	223,490	6.8	459,774	3.9	32.7
More than 1,000	433	0.3	3,295,487	13.0	1,261,270	23.0	2,034,218	10.2	38.3
All	#####	100.0	69,527	100.0	15,039	100.0	54,488	100.0	21.6

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

Number of AMT Taxpayers (millions). Baseline: 3.4

Proposal: 3.9

* Less than 0.05

(1) Calendar year. Baseline is S. 3412 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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

Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy

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

Detail Table - Single Tax Units

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	6.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	6.4
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	11.6
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	8.6	0.0	15.1
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	9.2	0.0	18.7
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	20.8	0.0	21.4
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	11.1	0.0	23.7
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	15.9	0.0	25.5
200-500	44.7	0.0	0.4	30.9	-844	-1.0	-0.1	8.5	-0.3	29.9
500-1,000	92.0	0.0	1.6	39.6	-7,100	-2.9	-0.1	3.6	-1.0	34.4
More than 1,000	95.4	0.0	0.4	29.5	-8,438	-0.6	0.0	13.0	-0.3	41.4
All	0.6	0.0	0.1	100.0	-22	-0.3	0.0	100.0	-0.1	20.7

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	12,280	17.1	5,327	2.3	361	0.8	4,966	2.7	6.8
10-20	16,353	22.7	14,997	8.7	952	2.7	14,045	10.3	6.4
20-30	11,329	15.7	24,885	10.0	2,884	5.6	22,000	11.2	11.6
30-40	9,396	13.0	35,554	11.9	5,377	8.6	30,177	12.7	15.1
40-50	6,306	8.8	45,513	10.2	8,527	9.2	36,987	10.4	18.7
50-75	9,292	12.9	61,373	20.2	13,111	20.8	48,262	20.1	21.4
75-100	3,125	4.3	87,575	9.7	20,786	11.1	66,789	9.3	23.7
100-200	2,763	3.8	132,172	13.0	33,674	15.9	98,498	12.2	25.5
200-500	581	0.8	286,777	5.9	86,547	8.6	200,230	5.2	30.2
500-1,000	89	0.1	684,999	2.2	242,578	3.7	442,421	1.8	35.4
More than 1,000	56	0.1	3,307,366	6.5	1,375,913	13.1	1,931,453	4.8	41.6
All	72,035	100.0	39,146	100.0	8,137	100.0	31,010	100.0	20.8

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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

Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy

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

Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	3.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	-1.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	1.2
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	5.4
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	7.7
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	6.4	0.0	13.5
75-100	0.0	0.0	0.0	0.0	0	0.0	0.1	9.7	0.0	17.6
100-200	0.0	0.0	0.0	0.0	0	0.0	0.2	29.0	0.0	21.2
200-500	17.0	0.0	0.1	11.9	-286	-0.4	0.0	18.0	-0.1	25.5
500-1,000	85.8	0.0	1.6	47.1	-7,443	-3.4	-0.2	8.1	-1.1	31.3
More than 1,000	95.2	0.0	0.6	41.0	-11,105	-0.9	-0.1	27.0	-0.3	37.5
All	2.6	0.0	0.2	100.0	-160	-0.6	0.0	100.0	-0.1	22.9

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,457	2.4	4,559	0.1	140	0.0	4,419	0.1	3.1
10-20	2,877	4.7	15,669	0.6	-238	0.0	15,908	0.8	-1.5
20-30	3,317	5.5	25,449	1.2	315	0.1	25,134	1.5	1.2
30-40	4,027	6.6	35,715	2.0	1,934	0.5	33,780	2.5	5.4
40-50	4,740	7.8	45,931	3.1	3,539	1.0	42,392	3.7	7.7
50-75	12,272	20.2	62,784	10.9	8,465	6.4	54,319	12.2	13.5
75-100	10,124	16.7	88,587	12.7	15,608	9.7	72,979	13.5	17.6
100-200	16,567	27.3	134,301	31.4	28,430	28.9	105,871	32.1	21.2
200-500	4,043	6.7	283,374	16.2	72,507	18.0	210,867	15.6	25.6
500-1,000	616	1.0	683,221	5.9	220,951	8.4	462,271	5.2	32.3
More than 1,000	360	0.6	3,245,436	16.5	1,227,713	27.1	2,017,723	13.3	37.8
All	60,744	100.0	116,746	100.0	26,864	100.0	89,882	100.0	23.0

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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

Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy

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

Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.9	0.0	-16.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-8.3	0.0	-13.2
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.8	0.0	-1.9
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	8.8	0.0	8.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	13.1	0.0	13.2
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	33.1	0.0	17.5
75-100	0.0	0.0	0.0	0.0	0	0.0	0.0	17.6	0.0	19.9
100-200	0.0	0.0	0.0	0.0	0	0.0	0.0	19.4	0.0	23.6
200-500	15.5	0.0	0.2	16.3	-324	-0.4	0.0	7.7	-0.1	27.0
500-1,000	85.3	0.0	1.5	44.5	-6,930	-3.3	-0.1	2.6	-1.0	30.4
More than 1,000	94.8	0.0	0.5	39.3	-9,459	-0.8	-0.1	9.6	-0.3	36.5
All	0.2	0.0	0.0	100.0	-10	-0.2	0.0	100.0	0.0	12.5

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,173	9.4	6,307	1.5	-1,025	-1.9	7,332	2.0	-16.3
10-20	4,761	20.6	15,129	7.8	-1,996	-8.2	17,125	10.1	-13.2
20-30	4,367	18.9	25,305	12.0	-476	-1.8	25,781	13.9	-1.9
30-40	3,599	15.6	35,454	13.8	2,822	8.8	32,631	14.5	8.0
40-50	2,531	11.0	45,338	12.4	5,961	13.1	39,377	12.3	13.2
50-75	3,553	15.4	61,312	23.6	10,732	33.0	50,580	22.2	17.5
75-100	1,170	5.1	87,387	11.1	17,350	17.6	70,037	10.1	19.9
100-200	734	3.2	129,043	10.3	30,394	19.3	98,649	9.0	23.6
200-500	117	0.5	280,322	3.5	76,112	7.7	204,210	2.9	27.2
500-1,000	15	0.1	673,865	1.1	211,423	2.7	462,441	0.9	31.4
More than 1,000	10	0.0	3,141,640	3.3	1,156,701	9.6	1,984,939	2.4	36.8
All	23,101	100.0	40,006	100.0	4,997	100.0	35,009	100.0	12.5

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

* Less than 0.05

(1) Calendar year. Baseline is S.3412 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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

Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy

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

Detail Table - Tax Units with Children

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.3	0.0	-18.5
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.6	0.0	-16.3
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.7	0.0	-4.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	5.3
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.1	0.0	10.4
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	9.1	0.0	15.6
75-100	0.0	0.0	0.0	0.0	0	0.0	0.1	10.9	0.0	18.3
100-200	*	0.0	0.0	0.0	0	0.0	0.2	29.2	0.0	21.4
200-500	15.2	0.0	0.1	10.7	-255	-0.4	0.0	17.9	-0.1	25.9
500-1,000	85.3	0.0	1.7	48.7	-7,651	-3.5	-0.2	7.9	-1.1	31.2
More than 1,000	95.8	0.0	0.6	40.6	-11,390	-1.0	-0.1	24.5	-0.4	37.3
All	1.6	0.0	0.2	100.0	-108	-0.6	0.0	100.0	-0.1	21.0

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,962	5.9	5,794	0.4	-1,072	-0.3	6,866	0.6	-18.5
10-20	5,804	11.6	15,260	2.0	-2,480	-1.6	17,740	3.0	-16.3
20-30	5,335	10.6	25,332	3.1	-1,219	-0.7	26,551	4.1	-4.8
30-40	4,816	9.6	35,564	3.9	1,901	1.0	33,663	4.7	5.3
40-50	4,037	8.1	45,576	4.2	4,743	2.1	40,833	4.7	10.4
50-75	8,599	17.2	62,528	12.2	9,766	9.0	52,762	13.1	15.6
75-100	6,206	12.4	88,416	12.5	16,216	10.8	72,200	12.9	18.3
100-200	9,390	18.7	134,200	28.6	28,740	29.0	105,461	28.5	21.4
200-500	2,258	4.5	283,593	14.5	73,616	17.9	209,977	13.6	26.0
500-1,000	345	0.7	680,629	5.3	219,875	8.1	460,754	4.6	32.3
More than 1,000	193	0.4	3,158,341	13.8	1,187,919	24.6	1,970,423	10.9	37.6
All	50,150	100.0	87,888	100.0	18,570	100.0	69,318	100.0	21.1

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 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0305
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
Incremental Effect of Raising "High-Income" Thresholds to \$500,000 for Married Couples

Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2013 ¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2012 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	0.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	2.5
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.5	0.0	4.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.2	0.0	5.5
50-75	0.0	0.0	0.0	0.0	0	0.0	0.1	8.3	0.0	9.1
75-100	0.0	0.0	0.0	0.0	0	0.0	0.1	8.4	0.0	13.1
100-200	*	0.0	0.0	0.1	0	0.0	0.1	22.2	0.0	17.9
200-500	27.4	0.0	0.3	21.7	-537	-0.7	0.0	17.7	-0.2	25.2
500-1,000	89.7	0.0	1.5	42.3	-6,810	-2.9	-0.2	8.5	-1.0	32.7
More than 1,000	92.9	0.0	0.5	36.0	-9,408	-0.7	0.0	30.2	-0.3	39.4
All	1.4	0.0	0.1	100.0	-68	-0.6	0.0	100.0	-0.1	17.0

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

Cash Income Level (thousands of 2012 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,099	6.0	6,146	0.6	78	0.0	6,068	0.7	1.3
10-20	7,199	20.5	15,399	4.8	108	0.2	15,291	5.7	0.7
20-30	4,736	13.5	24,906	5.1	633	0.8	24,272	6.0	2.5
30-40	4,155	11.8	35,411	6.4	1,402	1.5	34,009	7.4	4.0
40-50	3,401	9.7	45,731	6.7	2,509	2.2	43,222	7.7	5.5
50-75	5,792	16.5	61,846	15.5	5,645	8.3	56,202	17.0	9.1
75-100	2,864	8.2	87,420	10.8	11,462	8.3	75,959	11.3	13.1
100-200	3,657	10.4	133,081	21.0	23,867	22.1	109,213	20.8	17.9
200-500	962	2.7	285,711	11.9	72,521	17.7	213,190	10.7	25.4
500-1,000	148	0.4	687,513	4.4	231,344	8.7	456,169	3.5	33.7
More than 1,000	91	0.3	3,301,216	13.0	1,309,778	30.2	1,991,439	9.5	39.7
All	35,135	100.0	65,837	100.0	11,236	100.0	54,601	100.0	17.1

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 plus an AMT patch 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) and extension of 2009 estate tax law including a \$3.5 million effective exemption (unindexed) and a top estate tax rate of 45 percent. Proposal would: a) reinstate 2012 tax rates but raise the 35 percent rate to 39.6 percent beginning at a threshold of \$400,000 (single), \$500,000 (married), or \$450,000 (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 \$500,000 of AGI (married) and \$400,000 (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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.