

Table T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	37.0	-731	*	**	2.5	3.7	-265	-2.4	1.9
Second Quintile	77.3	-1,025	*	**	3.0	9.9	-795	-2.7	9.5
Middle Quintile	93.2	-1,294	0.0	0	2.8	12.7	-1,184	-2.3	15.6
Fourth Quintile	98.8	-2,236	0.0	0	3.3	19.3	-2,170	-2.6	19.0
Top Quintile	99.5	-7,170	0.2	11,524	4.1	54.3	-6,845	-2.8	28.1
All	76.6	-2,482	*	**	3.5	100.0	-1,847	-2.7	21.7
Addendum									
80-90	99.7	-4,370	0.0	0	4.5	17.1	-4,275	-3.4	21.5
90-95	99.6	-5,624	0.1	1,968	4.5	10.8	-5,494	-3.3	23.4
95-99	99.0	-11,117	0.6	3,583	5.1	16.4	-10,359	-3.6	26.3
Top 1 Percent	98.0	-28,024	1.5	25,063	2.5	10.1	-25,672	-1.5	36.9
Top 0.1 Percent	90.3	-86,465	9.4	37,869	1.5	2.9	-71,885	-0.9	39.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 21.7

Proposal: 3.4

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (4) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (5) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. 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.

Table T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	37.0	*	2.5	3.7	-265	-54.8	-0.4	0.4	-2.4	1.9
Second Quintile	77.3	*	3.0	9.9	-795	-21.8	-0.6	4.3	-2.7	9.5
Middle Quintile	93.2	0.0	2.8	12.7	-1,184	-12.7	-0.2	10.7	-2.3	15.6
Fourth Quintile	98.8	0.0	3.3	19.3	-2,170	-11.9	-0.2	17.5	-2.6	19.0
Top Quintile	99.5	0.2	4.1	54.3	-6,845	-9.1	1.4	66.9	-2.8	28.1
All	76.6	*	3.5	100.0	-1,847	-10.9	0.0	100.0	-2.7	21.7
Addendum										
80-90	99.7	0.0	4.5	17.1	-4,275	-13.6	-0.4	13.3	-3.4	21.5
90-95	99.6	0.1	4.5	10.8	-5,494	-12.3	-0.2	9.4	-3.3	23.4
95-99	99.0	0.6	5.1	16.4	-10,359	-12.1	-0.2	14.6	-3.6	26.3
Top 1 Percent	98.0	1.5	2.5	10.1	-25,672	-4.0	2.1	29.7	-1.5	36.9
Top 0.1 Percent	90.3	9.4	1.5	2.9	-71,885	-2.2	1.4	15.5	-0.9	39.6

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	484	0.7	10,806	5.3	4.3	
Second Quintile	36,208	22.9	30,031	9.9	3,645	4.9	26,386	11.5	12.1	
Middle Quintile	31,370	19.8	52,294	14.9	9,320	10.9	42,973	16.2	17.8	
Fourth Quintile	26,062	16.5	84,355	20.0	18,207	17.7	66,148	20.7	21.6	
Top Quintile	23,189	14.7	244,576	51.5	75,675	65.5	168,901	47.0	30.9	
All	158,260	100.0	69,527	100.0	16,920	100.0	52,607	100.0	24.3	
Addendum										
80-90	11,692	7.4	125,820	13.4	31,355	13.7	94,465	13.3	24.9	
90-95	5,736	3.6	166,808	8.7	44,520	9.5	122,289	8.4	26.7	
95-99	4,615	2.9	287,453	12.1	85,873	14.8	201,581	11.2	29.9	
Top 1 Percent	1,147	0.7	1,671,536	17.4	642,233	27.5	1,029,304	14.2	38.4	
Top 0.1 Percent	117	0.1	7,985,826	8.5	3,236,162	14.1	4,749,663	6.7	40.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 21.7 Proposal: 3.4

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (4) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (5) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. For a description of TPC's current law and current policy baselines, see

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(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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(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.

Table T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	39.3	0.0	4.2	5.0	-436	-251.1	-0.6	-0.4	-4.1	-2.5
Second Quintile	66.0	*	3.4	9.2	-825	-29.1	-0.7	2.7	-3.1	7.5
Middle Quintile	86.6	*	2.8	11.5	-1,077	-14.2	-0.3	8.5	-2.3	14.0
Fourth Quintile	98.3	0.0	3.2	19.1	-1,863	-12.1	-0.2	17.0	-2.6	18.5
Top Quintile	99.2	0.2	3.7	55.1	-5,328	-8.6	1.8	71.9	-2.6	27.8
All	76.6	*	3.5	100.0	-1,847	-10.9	0.0	100.0	-2.7	21.7
Addendum										
80-90	99.2	0.0	3.7	15.4	-2,996	-11.6	-0.1	14.4	-2.8	21.4
90-95	99.5	*	3.8	10.9	-4,044	-10.8	0.0	11.1	-2.8	23.4
95-99	99.0	0.4	4.8	17.0	-8,300	-11.6	-0.1	15.9	-3.4	26.0
Top 1 Percent	97.8	1.6	2.8	11.9	-25,231	-4.5	2.1	30.6	-1.7	36.7
Top 0.1 Percent	91.3	8.3	1.6	3.3	-68,276	-2.4	1.4	16.2	-1.0	39.6

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	174	0.2	10,378	4.2	1.7
Second Quintile	32,563	20.6	26,837	7.9	2,832	3.4	24,005	9.4	10.6
Middle Quintile	31,164	19.7	46,562	13.2	7,588	8.8	38,974	14.6	16.3
Fourth Quintile	29,985	19.0	73,219	20.0	15,404	17.3	57,815	20.8	21.0
Top Quintile	30,233	19.1	204,490	56.2	62,083	70.1	142,407	51.7	30.4
All	158,260	100.0	69,527	100.0	16,920	100.0	52,607	100.0	24.3
Addendum									
80-90	14,991	9.5	106,847	14.6	25,902	14.5	80,945	14.6	24.2
90-95	7,896	5.0	142,978	10.3	37,439	11.0	105,540	10.0	26.2
95-99	5,972	3.8	244,529	13.3	71,768	16.0	172,762	12.4	29.4
Top 1 Percent	1,374	0.9	1,448,832	18.1	556,188	28.6	892,644	14.7	38.4
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,835,396	14.7	4,154,569	7.0	40.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 21.7

Proposal: 3.4

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (4) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (5) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. 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.

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The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	23.1	0.0	1.7	4.0	-126	-22.5	-0.2	1.5	-1.6	5.4
Second Quintile	51.8	*	1.5	7.3	-262	-11.9	-0.2	5.7	-1.3	9.6
Middle Quintile	84.4	*	1.7	10.7	-487	-8.6	0.1	12.0	-1.4	15.0
Fourth Quintile	98.0	0.0	1.9	15.0	-793	-7.0	0.6	21.3	-1.5	20.2
Top Quintile	98.7	*	4.6	63.0	-4,173	-10.1	-0.4	59.3	-3.2	28.0
All	63.4	*	2.9	100.0	-861	-9.6	0.0	100.0	-2.2	20.7
Addendum										
80-90	98.5	0.0	3.1	13.4	-1,752	-9.1	0.1	14.2	-2.3	23.1
90-95	99.2	0.0	3.6	10.6	-2,712	-9.5	0.0	10.6	-2.6	24.6
95-99	98.9	0.0	6.1	21.2	-7,103	-13.8	-0.7	14.1	-4.2	26.4
Top 1 Percent	98.0	0.7	5.9	17.8	-32,460	-8.5	0.3	20.4	-3.5	37.7
Top 0.1 Percent	93.0	6.6	2.8	3.9	-79,162	-3.7	0.7	11.0	-1.6	41.9

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	19,721	27.4	8,091	5.7	560	1.7	7,532	6.8	6.9	
Second Quintile	17,211	23.9	20,316	12.4	2,210	5.9	18,107	14.3	10.9	
Middle Quintile	13,567	18.8	34,462	16.6	5,664	11.9	28,798	18.0	16.4	
Fourth Quintile	11,717	16.3	52,696	21.9	11,410	20.7	41,286	22.3	21.7	
Top Quintile	9,354	13.0	132,560	44.0	41,224	59.7	91,336	39.3	31.1	
All	72,035	100.0	39,146	100.0	8,972	100.0	30,174	100.0	22.9	
Addendum										
80-90	4,749	6.6	75,578	12.7	19,172	14.1	56,405	12.3	25.4	
90-95	2,416	3.4	104,552	9.0	28,447	10.6	76,105	8.5	27.2	
95-99	1,849	2.6	168,798	11.1	51,672	14.8	117,126	10.0	30.6	
Top 1 Percent	340	0.5	931,104	11.2	383,507	20.2	547,597	8.6	41.2	
Top 0.1 Percent	31	0.0	4,955,926	5.4	2,157,246	10.3	2,798,680	4.0	43.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (5) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (6) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

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Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	42.9	0.0	5.8	2.3	-816	-272.0	-0.3	-0.2	-5.6	-3.6
Second Quintile	70.9	0.0	4.8	6.6	-1,570	-39.2	-0.6	1.2	-4.3	6.7
Middle Quintile	84.6	0.0	3.1	9.9	-1,532	-17.0	-0.4	5.7	-2.6	12.7
Fourth Quintile	98.3	0.0	3.7	20.9	-2,633	-14.3	-0.7	14.7	-2.9	17.5
Top Quintile	99.6	0.1	3.6	60.3	-6,049	-8.3	1.9	78.4	-2.5	27.7
All	87.0	*	3.7	100.0	-3,174	-10.5	0.0	100.0	-2.7	23.1
Addendum										
80-90	99.6	0.0	3.9	17.6	-3,671	-12.5	-0.3	14.6	-3.0	20.8
90-95	99.8	0.0	3.9	12.5	-4,733	-11.3	-0.1	11.6	-2.9	22.9
95-99	99.7	0.0	4.6	18.3	-9,138	-11.2	-0.1	17.2	-3.2	25.7
Top 1 Percent	98.4	1.3	2.3	11.8	-23,258	-3.8	2.5	35.1	-1.4	36.5
Top 0.1 Percent	91.3	8.4	1.5	3.5	-66,878	-2.2	1.6	18.2	-0.9	39.3

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	300	0.1	14,186	1.5	2.1	
Second Quintile	8,093	13.3	36,595	4.2	4,009	1.8	32,587	5.0	11.0	
Middle Quintile	12,453	20.5	58,915	10.4	9,030	6.1	49,885	11.8	15.3	
Fourth Quintile	15,271	25.1	89,679	19.3	18,365	15.3	71,314	20.7	20.5	
Top Quintile	19,208	31.6	241,961	65.5	72,944	76.5	169,017	61.7	30.2	
All	60,744	100.0	116,746	100.0	30,143	100.0	86,603	100.0	25.8	
Addendum										
80-90	9,257	15.2	123,947	16.2	29,463	14.9	94,484	16.6	23.8	
90-95	5,109	8.4	162,264	11.7	41,822	11.7	120,442	11.7	25.8	
95-99	3,865	6.4	282,834	15.4	81,879	17.3	200,955	14.8	29.0	
Top 1 Percent	977	1.6	1,615,663	22.3	612,503	32.7	1,003,160	18.6	37.9	
Top 0.1 Percent	101	0.2	7,547,627	10.7	3,029,608	16.7	4,518,019	8.6	40.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (5) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (6) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. 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 T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	76.2	0.0	6.4	24.1	-952	105.9	-7.9	-12.8	-6.8	-13.2
Second Quintile	94.2	*	4.6	28.7	-1,332	-46.5	-4.2	9.0	-4.2	4.8
Middle Quintile	97.3	0.0	3.6	20.5	-1,462	-16.0	1.9	29.4	-2.9	15.3
Fourth Quintile	99.8	0.0	3.3	14.5	-1,854	-11.7	3.3	29.9	-2.6	19.4
Top Quintile	99.1	*	2.7	12.1	-3,132	-6.9	6.9	44.3	-2.0	26.3
All	89.3	*	4.1	100.0	-1,374	-21.5	0.0	100.0	-3.4	12.6
Addendum										
80-90	98.9	0.0	2.7	4.8	-2,076	-8.3	2.1	14.7	-2.0	22.5
90-95	99.6	0.0	2.9	2.5	-2,893	-8.2	1.1	7.6	-2.2	24.2
95-99	99.9	0.0	3.3	3.0	-5,396	-8.3	1.3	9.0	-2.4	26.1
Top 1 Percent	97.8	1.4	2.0	1.7	-17,059	-3.5	2.4	13.0	-1.3	35.0
Top 0.1 Percent	89.8	9.9	0.9	0.4	-39,118	-1.5	1.4	6.7	-0.6	37.7

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	-898	-4.9	14,881	15.4	-6.4	
Second Quintile	6,829	29.6	31,795	23.5	2,865	13.2	28,931	25.4	9.0	
Middle Quintile	4,455	19.3	49,950	24.1	9,117	27.5	40,833	23.4	18.3	
Fourth Quintile	2,489	10.8	71,792	19.3	15,804	26.6	55,988	18.0	22.0	
Top Quintile	1,222	5.3	160,037	21.2	45,200	37.4	114,837	18.1	28.2	
All	23,101	100.0	40,006	100.0	6,394	100.0	33,612	100.0	16.0	
Addendum										
80-90	740	3.2	102,711	8.2	25,142	12.6	77,568	7.4	24.5	
90-95	273	1.2	133,416	4.0	35,136	6.5	98,281	3.5	26.3	
95-99	176	0.8	226,780	4.3	64,671	7.7	162,109	3.7	28.5	
Top 1 Percent	32	0.1	1,339,304	4.7	485,362	10.6	853,941	3.5	36.2	
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,585,799	5.3	4,164,633	1.6	38.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (5) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (6) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. 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 T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	76.3	0.0	7.2	8.2	-1,120	110.0	-1.5	-2.5	-7.7	-14.8
Second Quintile	96.5	*	6.0	14.0	-1,948	-51.3	-1.6	2.1	-5.4	5.1
Middle Quintile	99.1	0.0	4.3	14.9	-2,186	-18.6	-0.6	10.4	-3.5	15.4
Fourth Quintile	99.8	0.0	4.9	24.0	-3,671	-16.3	-0.6	19.7	-3.8	19.3
Top Quintile	99.7	0.2	3.7	38.8	-6,900	-8.1	4.3	70.2	-2.5	28.6
All	93.7	*	4.5	100.0	-2,974	-13.8	0.0	100.0	-3.4	21.2
Addendum										
80-90	99.9	0.0	4.6	14.7	-4,782	-13.3	0.1	15.2	-3.4	22.3
90-95	99.8	0.1	4.4	7.1	-6,257	-11.7	0.2	8.6	-3.2	24.2
95-99	99.5	0.3	4.4	11.0	-9,855	-10.2	0.6	15.5	-3.1	27.0
Top 1 Percent	98.0	1.6	1.8	6.0	-20,299	-3.0	3.4	30.8	-1.1	36.6
Top 0.1 Percent	89.4	10.4	1.0	1.4	-52,312	-1.5	1.9	14.9	-0.6	39.1

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	-1,019	-1.0	15,516	5.1	-7.0	
Second Quintile	10,714	21.4	36,326	8.8	3,794	3.8	32,532	10.5	10.4	
Middle Quintile	10,166	20.3	62,074	14.3	11,736	11.0	50,338	15.4	18.9	
Fourth Quintile	9,735	19.4	97,977	21.6	22,558	20.3	75,419	22.1	23.0	
Top Quintile	8,378	16.7	273,829	52.1	85,158	65.9	188,671	47.6	31.1	
All	50,150	100.0	87,888	100.0	21,606	100.0	66,283	100.0	24.6	
Addendum										
80-90	4,581	9.1	139,259	14.5	35,870	15.2	103,389	14.3	25.8	
90-95	1,696	3.4	196,218	7.6	53,652	8.4	142,567	7.3	27.3	
95-99	1,662	3.3	322,508	12.2	96,954	14.9	225,554	11.3	30.1	
Top 1 Percent	439	0.9	1,792,201	17.9	675,983	27.4	1,116,217	14.8	37.7	
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,502,346	13.0	5,322,916	6.5	39.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

* 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 law. Proposal would extend the tax cuts in TPC's current policy baseline with the following exceptions and modifications: (1) raise statutory individual income tax rate to 39.6 percent on taxable income greater than \$450,000 for married couples filing a joint return (MFJ), \$400,000 for singles, and \$425,000 for heads of household (HoH), indexed for inflation after 2013; (2) reinstate the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease) for those with adjusted gross incomes greater than \$300,000 for MFJ, \$250,000 for singles, and \$275,000 for HoH, indexed for inflation after 2013; (3) raise rate on long-term capital gains and qualified dividends to 20 percent for those otherwise in the top 39.6 percent tax bracket; (4) raise estate tax rate from 35 to 40 percent; (4) set AMT exemption at \$78,750 for MFJ, \$50,600 for singles, indexed for inflation after 2012; and (5) index the AMT exemption phaseout threshold and tax bracket threshold for inflation after 2012. Includes impact of extending the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction but excludes the impact of certain business and other extenders. For a description of TPC's current law and current policy baselines, see

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(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.

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Table T12-0425
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and other Provisions
Baseline: Current Law
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	1.0	0.0	0.1	0.1	-14	-14.7	0.0	0.1	-0.1	0.8
Second Quintile	7.8	0.0	0.5	1.4	-100	-21.8	-0.1	0.8	-0.5	1.6
Middle Quintile	59.7	0.0	1.2	5.8	-454	-19.1	-0.3	4.0	-1.1	4.6
Fourth Quintile	94.5	0.0	2.2	13.0	-1,304	-16.3	-0.3	10.7	-2.0	10.1
Top Quintile	98.4	0.1	5.4	79.6	-7,570	-13.2	0.7	84.3	-3.8	25.3
All	51.5	*	3.4	100.0	-1,800	-13.8	0.0	100.0	-2.7	17.0
Addendum										
80-90	97.8	0.0	4.0	15.4	-3,193	-17.9	-0.6	11.4	-3.3	15.0
90-95	99.4	0.0	4.7	13.6	-4,840	-16.4	-0.3	11.1	-3.6	18.5
95-99	98.9	0.2	7.2	26.6	-11,508	-18.3	-1.0	19.1	-5.2	23.1
Top 1 Percent	97.8	1.5	5.7	23.9	-42,728	-8.3	2.6	42.7	-3.4	37.4
Top 0.1 Percent	91.6	8.0	3.3	6.6	-118,735	-4.4	2.3	23.0	-1.9	40.9

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	5,152	14.7	10,284	2.3	97	0.1	10,188	2.8	0.9	
Second Quintile	8,903	25.3	22,201	8.6	459	0.9	21,742	10.4	2.1	
Middle Quintile	8,102	23.1	41,688	14.6	2,383	4.2	39,306	17.2	5.7	
Fourth Quintile	6,300	17.9	66,058	18.0	7,986	11.0	58,072	19.7	12.1	
Top Quintile	6,648	18.9	197,406	56.7	57,494	83.7	139,912	50.1	29.1	
All	35,135	100.0	65,837	100.0	13,004	100.0	52,833	100.0	19.8	
Addendum										
80-90	3,052	8.7	98,141	13.0	17,879	11.9	80,262	13.2	18.2	
90-95	1,778	5.1	133,313	10.3	29,458	11.5	103,856	10.0	22.1	
95-99	1,463	4.2	223,287	14.1	63,005	20.2	160,282	12.6	28.2	
Top 1 Percent	354	1.0	1,267,910	19.4	516,974	40.1	750,936	14.3	40.8	
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,678,242	20.7	3,574,698	6.8	42.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

* Less than 0.05

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

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