

Table T12-0427
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 Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2013¹
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 (%)	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	0.1	1	0.0	9.4
Middle Quintile	0.4	-77	0.0	0	0.0	0.0	0	0.0	15.5
Fourth Quintile	1.3	-154	0.0	0	0.0	-0.1	-2	0.0	18.9
Top Quintile	12.2	-370	5.0	50,865	-1.4	100.0	2,483	1.0	27.9
All	2.1	-336	0.7	50,897	-0.7	100.0	364	0.5	21.5
Addendum									
80-90	1.5	-201	0.0	0	0.0	0.0	-1	0.0	21.4
90-95	3.3	-248	*	**	0.0	0.0	-1	0.0	23.2
95-99	49.5	-402	4.8	3,605	0.0	-0.6	-71	0.0	26.0
Top 1 Percent	16.0	-266	82.4	61,844	-4.5	100.6	50,508	3.0	36.4
Top 0.1 Percent	0.3	-124	99.3	327,058	-6.2	65.3	322,528	4.0	39.0

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

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 3.4

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy. 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 T12-0427
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 Policy
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	0.1	1	0.0	-0.1	4.3	0.0	9.4
Middle Quintile	0.4	0.0	0.0	0.0	0	0.0	-0.3	10.7	0.0	15.5
Fourth Quintile	1.3	0.0	0.0	-0.1	-2	0.0	-0.4	17.6	0.0	18.9
Top Quintile	12.2	5.0	-1.4	100.0	2,483	3.8	0.8	66.8	1.0	27.9
All	2.1	0.7	-0.7	100.0	364	2.5	0.0	100.0	0.5	21.5
Addendum										
80-90	1.5	0.0	0.0	0.0	-1	0.0	-0.3	13.3	0.0	21.4
90-95	3.3	*	0.0	0.0	-1	0.0	-0.2	9.4	0.0	23.2
95-99	49.5	4.8	0.0	-0.6	-71	-0.1	-0.4	14.6	0.0	26.0
Top 1 Percent	16.0	82.4	-4.5	100.6	50,508	9.1	1.8	29.5	3.0	36.4
Top 0.1 Percent	0.3	99.3	-6.2	65.3	322,528	11.6	1.3	15.4	4.0	39.0

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	209	0.4	11,080	5.2	1.9	
Second Quintile	36,208	22.9	30,031	9.9	2,826	4.4	27,205	11.3	9.4	
Middle Quintile	31,370	19.8	52,294	14.9	8,097	11.0	44,197	15.9	15.5	
Fourth Quintile	26,062	16.5	84,355	20.0	15,963	18.0	68,392	20.5	18.9	
Top Quintile	23,189	14.7	244,576	51.5	65,640	66.0	178,937	47.7	26.8	
All	158,260	100.0	69,527	100.0	14,576	100.0	54,950	100.0	21.0	
Addendum										
80-90	11,692	7.4	125,820	13.4	26,955	13.7	98,865	13.3	21.4	
90-95	5,736	3.6	166,808	8.7	38,770	9.6	128,039	8.5	23.2	
95-99	4,615	2.9	287,453	12.1	74,898	15.0	212,555	11.3	26.1	
Top 1 Percent	1,147	0.7	1,671,536	17.4	557,103	27.7	1,114,433	14.7	33.3	
Top 0.1 Percent	117	0.1	7,985,826	8.5	2,790,219	14.1	5,195,606	7.0	34.9	

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

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. 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 T12-0427
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 Policy
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	0.1	1	0.1	-0.1	2.7	0.0	7.4
Middle Quintile	0.2	0.0	0.0	0.0	0	0.0	-0.2	8.5	0.0	13.9
Fourth Quintile	0.7	0.0	0.0	0.0	-1	0.0	-0.4	17.1	0.0	18.4
Top Quintile	10.0	3.9	-1.3	100.0	1,904	3.5	0.7	71.9	0.9	27.5
All	2.1	0.7	-0.7	100.0	364	2.5	0.0	100.0	0.5	21.5
Addendum										
80-90	1.8	0.0	0.0	-0.1	-3	0.0	-0.4	14.5	0.0	21.3
90-95	5.4	*	0.0	-0.2	-15	-0.1	-0.3	11.1	0.0	23.2
95-99	33.2	3.1	0.0	-0.6	-61	-0.1	-0.4	15.9	0.0	25.7
Top 1 Percent	25.9	71.2	-4.4	100.9	42,258	8.8	1.8	30.4	2.9	36.1
Top 0.1 Percent	0.4	99.1	-6.2	67.7	280,031	11.5	1.3	16.0	4.0	38.9

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	33,405	21.1	10,552	3.2	-273	-0.4	10,825	4.2	-2.6	
Second Quintile	32,563	20.6	26,837	7.9	1,988	2.8	24,849	9.3	7.4	
Middle Quintile	31,164	19.7	46,562	13.2	6,476	8.8	40,086	14.4	13.9	
Fourth Quintile	29,985	19.0	73,219	20.0	13,483	17.5	59,735	20.6	18.4	
Top Quintile	30,233	19.1	204,490	56.2	54,286	71.2	150,204	52.2	26.6	
All	158,260	100.0	69,527	100.0	14,576	100.0	54,950	100.0	21.0	
Addendum										
80-90	14,991	9.5	106,847	14.6	22,806	14.8	84,041	14.5	21.3	
90-95	7,896	5.0	142,978	10.3	33,216	11.4	109,762	10.0	23.2	
95-99	5,972	3.8	244,529	13.3	62,971	16.3	181,558	12.5	25.8	
Top 1 Percent	1,374	0.9	1,448,832	18.1	480,925	28.7	967,907	15.3	33.2	
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,442,043	14.7	4,547,922	7.3	34.9	

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

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 3.4

* Less than 0.05

(1) Calendar year. Baseline is current policy. 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 Policy
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	1.5	0.0	5.3
Second Quintile	0.0	0.0	0.0	0.4	2	0.1	-0.1	5.8	0.0	9.5
Middle Quintile	0.0	0.0	0.0	0.1	0	0.0	-0.2	12.1	0.0	15.0
Fourth Quintile	0.1	0.0	0.0	0.0	0	0.0	-0.3	21.4	0.0	20.1
Top Quintile	4.2	2.0	-0.9	99.4	906	2.5	0.6	59.2	0.7	27.7
All	0.6	0.3	-0.4	100.0	118	1.5	0.0	100.0	0.3	20.6
Addendum										
80-90	0.2	0.0	0.0	0.1	1	0.0	-0.2	14.2	0.0	22.9
90-95	0.7	0.0	0.0	0.0	1	0.0	-0.2	10.7	0.0	24.5
95-99	12.0	1.4	0.0	0.7	32	0.1	-0.2	14.1	0.0	26.1
Top 1 Percent	43.7	48.5	-4.1	98.6	24,752	7.7	1.2	20.3	2.7	37.1
Top 0.1 Percent	0.6	98.8	-6.6	74.4	206,203	11.2	1.0	10.9	4.2	41.2

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	19,721	27.4	8,091	5.7	427	1.5	7,664	6.7	5.3	
Second Quintile	17,211	23.9	20,316	12.4	1,933	5.8	18,383	14.1	9.5	
Middle Quintile	13,567	18.8	34,462	16.6	5,150	12.2	29,312	17.7	14.9	
Fourth Quintile	11,717	16.3	52,696	21.9	10,574	21.7	42,122	22.0	20.1	
Top Quintile	9,354	13.0	132,560	44.0	35,770	58.6	96,790	40.3	27.0	
All	72,035	100.0	39,146	100.0	7,927	100.0	31,219	100.0	20.3	
Addendum										
80-90	4,749	6.6	75,578	12.7	17,338	14.4	58,240	12.3	22.9	
90-95	2,416	3.4	104,552	9.0	25,571	10.8	78,980	8.5	24.5	
95-99	1,849	2.6	168,798	11.1	44,087	14.3	124,712	10.3	26.1	
Top 1 Percent	340	0.5	931,104	11.2	320,722	19.1	610,382	9.2	34.5	
Top 0.1 Percent	31	0.0	4,955,926	5.4	1,837,291	9.9	3,118,635	4.3	37.1	

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

* Less than 0.05

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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.

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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	6.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	5.7	0.0	12.7
Fourth Quintile	0.1	0.0	0.0	0.0	0	0.0	-0.4	14.7	0.0	17.5
Top Quintile	11.0	4.8	-1.4	100.0	2,404	3.8	0.6	78.4	1.0	27.4
All	3.5	1.5	-0.8	100.0	760	2.9	0.0	100.0	0.7	22.9
Addendum										
80-90	0.6	0.0	0.0	0.0	-1	0.0	-0.4	14.6	0.0	20.7
90-95	5.4	0.0	0.0	-0.2	-18	-0.1	-0.4	11.6	0.0	22.7
95-99	41.1	3.7	0.1	-0.8	-99	-0.1	-0.5	17.2	0.0	25.5
Top 1 Percent	20.0	78.8	-4.4	101.0	47,774	9.0	1.9	34.9	3.0	36.0
Top 0.1 Percent	0.4	99.2	-6.1	65.5	300,587	11.5	1.4	18.1	4.0	38.6

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	5,376	8.9	14,486	1.1	-536	-0.2	15,022	1.5	-3.7	
Second Quintile	8,093	13.3	36,595	4.2	2,406	1.2	34,190	5.0	6.6	
Middle Quintile	12,453	20.5	58,915	10.4	7,452	5.9	51,463	11.6	12.7	
Fourth Quintile	15,271	25.1	89,679	19.3	15,660	15.2	74,019	20.5	17.5	
Top Quintile	19,208	31.6	241,961	65.5	63,827	77.7	178,134	62.1	26.4	
All	60,744	100.0	116,746	100.0	25,963	100.0	90,783	100.0	22.2	
Addendum										
80-90	9,257	15.2	123,947	16.2	25,678	15.1	98,269	16.5	20.7	
90-95	5,109	8.4	162,264	11.7	36,895	12.0	125,369	11.6	22.7	
95-99	3,865	6.4	282,834	15.4	72,228	17.7	210,606	14.8	25.5	
Top 1 Percent	977	1.6	1,615,663	22.3	533,042	33.0	1,082,621	19.2	33.0	
Top 0.1 Percent	101	0.2	7,547,627	10.7	2,614,233	16.7	4,933,394	9.0	34.6	

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. 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 T12-0427
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 Policy
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	-13.0	0.0	-13.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.0	0.0	4.8
Middle Quintile	0.1	0.0	0.0	-0.1	0	0.0	-0.3	29.5	0.0	15.3
Fourth Quintile	1.2	0.0	0.0	-0.4	-2	0.0	-0.3	30.1	0.0	19.4
Top Quintile	15.4	1.8	-0.8	100.4	961	2.4	0.6	44.3	0.6	26.1
All	1.0	0.1	-0.1	100.0	51	1.0	0.0	100.0	0.1	12.5
Addendum										
80-90	3.8	0.0	0.0	-0.5	-8	0.0	-0.2	14.8	0.0	22.4
90-95	14.9	0.0	0.0	-0.9	-37	-0.1	-0.1	7.6	0.0	24.1
95-99	61.9	1.2	0.1	-2.5	-167	-0.3	-0.1	9.0	-0.1	25.9
Top 1 Percent	33.3	62.7	-4.1	104.3	37,855	8.9	0.9	12.9	2.8	34.5
Top 0.1 Percent	0.2	98.9	-6.1	71.9	276,999	12.4	0.7	6.6	4.1	37.2

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	8,034	34.8	13,983	12.2	-1,863	-13.1	15,846	15.7	-13.3	
Second Quintile	6,829	29.6	31,795	23.5	1,515	9.1	30,280	25.5	4.8	
Middle Quintile	4,455	19.3	49,950	24.1	7,629	29.8	42,320	23.3	15.3	
Fourth Quintile	2,489	10.8	71,792	19.3	13,908	30.4	57,884	17.8	19.4	
Top Quintile	1,222	5.3	160,037	21.2	40,784	43.7	119,253	18.0	25.5	
All	23,101	100.0	40,006	100.0	4,932	100.0	35,073	100.0	12.3	
Addendum										
80-90	740	3.2	102,711	8.2	22,995	14.9	79,715	7.3	22.4	
90-95	273	1.2	133,416	4.0	32,126	7.7	101,290	3.4	24.1	
95-99	176	0.8	226,780	4.3	58,985	9.1	167,794	3.6	26.0	
Top 1 Percent	32	0.1	1,339,304	4.7	423,805	12.0	915,499	3.6	31.6	
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,232,754	6.0	4,517,679	1.7	33.1	

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

* Less than 0.05

(1) Calendar year. Baseline is current policy. 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 T12-0427
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 Policy
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	0.1	-2.6	0.0	-14.9
Second Quintile	*	0.0	0.0	0.0	0	0.0	-0.1	2.1	0.0	5.0
Middle Quintile	0.6	0.0	0.0	0.0	-1	0.0	-0.3	10.4	0.0	15.3
Fourth Quintile	1.3	0.0	0.0	-0.1	-2	0.0	-0.6	19.8	0.0	19.2
Top Quintile	18.7	5.9	-1.5	100.1	2,978	4.0	0.8	70.1	1.1	28.3
All	3.5	1.0	-0.7	100.0	497	2.8	0.0	100.0	0.6	21.0
Addendum										
80-90	2.0	0.0	0.0	-0.1	-4	0.0	-0.4	15.3	0.0	22.2
90-95	18.2	*	0.0	-0.4	-61	-0.1	-0.3	8.6	0.0	24.0
95-99	67.3	6.2	0.1	-0.9	-127	-0.2	-0.5	15.5	0.0	26.8
Top 1 Percent	10.8	88.1	-4.8	101.4	57,539	9.8	2.0	30.7	3.2	36.1
Top 0.1 Percent	0.3	99.5	-6.3	58.7	363,058	12.0	1.2	14.8	4.1	38.5

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	10,949	21.8	14,497	3.6	-2,156	-2.6	16,653	5.2	-14.9	
Second Quintile	10,714	21.4	36,326	8.8	1,819	2.2	34,507	10.6	5.0	
Middle Quintile	10,166	20.3	62,074	14.3	9,507	10.7	52,567	15.2	15.3	
Fourth Quintile	9,735	19.4	97,977	21.6	18,817	20.3	79,160	22.0	19.2	
Top Quintile	8,378	16.7	273,829	52.1	74,583	69.3	199,246	47.6	27.2	
All	50,150	100.0	87,888	100.0	17,985	100.0	69,903	100.0	20.5	
Addendum										
80-90	4,581	9.1	139,259	14.5	30,972	15.7	108,287	14.2	22.2	
90-95	1,696	3.4	196,218	7.6	47,199	8.9	149,019	7.2	24.1	
95-99	1,662	3.3	322,508	12.2	86,561	16.0	235,947	11.2	26.8	
Top 1 Percent	439	0.9	1,792,201	17.9	589,634	28.7	1,202,567	15.1	32.9	
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,034,893	13.6	5,790,369	6.7	34.4	

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 policy. 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.

Table T12-0427
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 Policy
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	0.3	4	1.2	0.0	0.8	0.0	1.6
Middle Quintile	*	0.0	0.0	0.0	1	0.0	-0.1	4.0	0.0	4.6
Fourth Quintile	0.2	0.0	0.0	0.0	0	0.0	-0.3	10.8	0.0	10.0
Top Quintile	6.4	3.9	-1.2	99.6	1,773	3.7	0.5	84.3	0.9	24.9
All	1.2	0.7	-0.6	100.0	337	3.2	0.0	100.0	0.5	16.8
Addendum										
80-90	0.5	*	0.0	0.0	1	0.0	-0.4	11.5	0.0	14.8
90-95	1.3	0.0	0.0	0.0	0	0.0	-0.4	11.2	0.0	18.2
95-99	18.4	2.6	0.0	0.4	28	0.1	-0.6	19.2	0.0	22.7
Top 1 Percent	32.2	62.9	-4.0	99.2	33,156	7.7	1.8	42.5	2.6	36.7
Top 0.1 Percent	0.5	99.0	-6.0	71.2	238,077	10.5	1.5	22.9	3.8	40.1

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	5,152	14.7	10,284	2.3	80	0.1	10,205	2.7	0.8	
Second Quintile	8,903	25.3	22,201	8.6	345	0.8	21,856	10.0	1.6	
Middle Quintile	8,102	23.1	41,688	14.6	1,896	4.1	39,793	16.6	4.6	
Fourth Quintile	6,300	17.9	66,058	18.0	6,611	11.1	59,447	19.3	10.0	
Top Quintile	6,648	18.9	197,406	56.7	47,352	83.8	150,054	51.5	24.0	
All	35,135	100.0	65,837	100.0	10,692	100.0	55,145	100.0	16.2	
Addendum										
80-90	3,052	8.7	98,141	13.0	14,531	11.8	83,610	13.2	14.8	
90-95	1,778	5.1	133,313	10.3	24,310	11.5	109,004	10.0	18.2	
95-99	1,463	4.2	223,287	14.1	50,688	19.7	172,599	13.0	22.7	
Top 1 Percent	354	1.0	1,267,910	19.4	432,176	40.7	835,734	15.3	34.1	
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,271,210	21.4	3,981,730	7.3	36.3	

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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