

Table T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%)	Under the Proposal
Lowest Quintile	40,520	25.6	0.0	0.0	0	0.0	1.7
Second Quintile	36,208	22.9	0.0	0.0	0	0.0	9.3
Middle Quintile	31,370	19.8	0.0	0.0	0	0.0	15.3
Fourth Quintile	26,062	16.5	0.0	0.0	0	0.0	18.8
Top Quintile	23,189	14.7	-1.1	100.0	1,891	0.8	27.4
All	158,260	100.0	-0.5	100.0	277	0.4	21.2
Addendum							
80-90	11,692	7.4	0.0	0.0	0	0.0	21.2
90-95	5,736	3.6	0.0	0.0	0	0.0	23.0
95-99	4,615	2.9	0.0	0.5	51	0.0	25.7
Top 1 Percent	1,147	0.7	-3.4	99.5	38,033	2.3	35.5
Top 0.1 Percent	117	0.1	-4.5	61.7	232,015	2.9	38.1

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.7

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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

For a description of ATRA provisions, see:

<http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>

(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) 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 T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
Distribution of Federal Tax Change by Cash Income Percentile, 2013¹
Detail Table

Cash Income Percentile ^{2,3}	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	
			Dollars	Percent	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.0	0.3	0.0	1.7
Second Quintile	0.0	0.0	0	0.0	-0.1	4.3	0.0	9.3
Middle Quintile	0.0	0.0	0	0.0	-0.2	10.8	0.0	15.3
Fourth Quintile	0.0	0.0	0	0.0	-0.3	17.7	0.0	18.8
Top Quintile	-1.1	100.0	1,891	2.9	0.6	66.7	0.8	27.4
All	-0.5	100.0	277	1.9	0.0	100.0	0.4	21.2
Addendum								
80-90	0.0	0.0	0	0.0	-0.3	13.4	0.0	21.2
90-95	0.0	0.0	0	0.0	-0.2	9.4	0.0	23.0
95-99	0.0	0.5	51	0.1	-0.3	14.6	0.0	25.7
Top 1 Percent	-3.4	99.5	38,033	6.8	1.4	29.2	2.3	35.5
Top 0.1 Percent	-4.5	61.7	232,015	8.3	0.9	15.2	2.9	38.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013¹

Cash Income Percentile ^{2,3}	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	
Lowest Quintile	40,520	25.6	11,290	4.2	191	0.3	11,098	5.2	1.7
Second Quintile	36,208	22.9	30,031	9.9	2,780	4.4	27,251	11.3	9.3
Middle Quintile	31,370	19.8	52,294	14.9	8,016	11.0	44,277	15.9	15.3
Fourth Quintile	26,062	16.5	84,355	20.0	15,816	18.0	68,539	20.5	18.8
Top Quintile	23,189	14.7	244,576	51.5	65,151	66.1	179,425	47.7	26.6
All	158,260	100.0	69,527	100.0	14,448	100.0	55,078	100.0	20.8
Addendum									
80-90	11,692	7.4	125,820	13.4	26,717	13.7	99,103	13.3	21.2
90-95	5,736	3.6	166,808	8.7	38,347	9.6	128,461	8.5	23.0
95-99	4,615	2.9	287,453	12.1	73,821	14.9	213,632	11.3	25.7
Top 1 Percent	1,147	0.7	1,671,536	17.4	556,101	27.9	1,115,435	14.7	33.3
Top 0.1 Percent	117	0.1	7,985,826	8.5	2,806,698	14.3	5,179,127	6.9	35.2

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.7

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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

For a description of ATRA provisions, see:

<http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>

(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) 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 T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹
Detail Table

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	0.0	0	0.0	0.0	-0.4	0.0	-2.8	
Second Quintile	0.0	0.0	0	0.0	-0.1	2.7	0.0	7.3	
Middle Quintile	0.0	0.0	0	0.0	-0.2	8.6	0.0	13.8	
Fourth Quintile	0.0	0.0	0	0.0	-0.3	17.2	0.0	18.3	
Top Quintile	-1.0	100.0	1,451	2.7	0.5	71.8	0.7	27.1	
All	-0.5	100.0	277	1.9	0.0	100.0	0.4	21.2	
Addendum									
80-90	0.0	0.0	0	0.0	-0.3	14.6	0.0	21.2	
90-95	0.0	0.0	0	0.0	-0.2	11.1	0.0	23.0	
95-99	0.0	0.7	49	0.1	-0.3	15.9	0.0	25.4	
Top 1 Percent	-3.3	99.3	31,696	6.6	1.3	30.2	2.2	35.3	
Top 0.1 Percent	-4.4	63.5	200,081	8.2	0.9	15.9	2.9	38.0	

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 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	
Lowest Quintile	33,405	21.1	10,552	3.2	-293	-0.4	10,845	4.2	-2.8
Second Quintile	32,563	20.6	26,837	7.9	1,949	2.8	24,888	9.3	7.3
Middle Quintile	31,164	19.7	46,562	13.2	6,405	8.7	40,157	14.4	13.8
Fourth Quintile	29,985	19.0	73,219	20.0	13,367	17.5	59,852	20.6	18.3
Top Quintile	30,233	19.1	204,490	56.2	53,876	71.2	150,614	52.2	26.4
All	158,260	100.0	69,527	100.0	14,448	100.0	55,078	100.0	20.8
Addendum									
80-90	14,991	9.5	106,847	14.6	22,613	14.8	84,234	14.5	21.2
90-95	7,896	5.0	142,978	10.3	32,883	11.4	110,095	10.0	23.0
95-99	5,972	3.8	244,529	13.3	62,099	16.2	182,430	12.5	25.4
Top 1 Percent	1,374	0.9	1,448,832	18.1	479,710	28.8	969,122	15.3	33.1
Top 0.1 Percent	139	0.1	6,989,966	8.9	2,456,115	15.0	4,533,851	7.2	35.1

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

Number of AMT Taxpayers (millions). Baseline: 4.0 Proposal: 3.7

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2012 dollars): 20% \$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) 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.

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The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.0	1.4	0.0	5.1
Second Quintile	0.0	0.0	0	0.0	-0.1	5.8	0.0	9.4
Middle Quintile	0.0	0.0	0	0.0	-0.1	12.1	0.0	14.8
Fourth Quintile	0.0	0.0	0	0.0	-0.2	21.5	0.0	19.9
Top Quintile	-0.6	100.0	543	1.5	0.4	59.0	0.4	27.2
All	-0.2	100.0	71	0.9	0.0	100.0	0.2	20.2
Addendum								
80-90	0.0	0.0	0	0.0	-0.1	14.3	0.0	22.8
90-95	0.0	0.0	0	0.0	-0.1	10.7	0.0	24.2
95-99	0.0	0.2	5	0.0	-0.1	14.1	0.0	25.7
Top 1 Percent	-2.4	99.8	14,928	4.7	0.7	19.9	1.6	35.9
Top 0.1 Percent	-4.1	76.6	126,327	6.8	0.6	10.7	2.6	39.8

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

Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income 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	
Lowest Quintile	19,721	27.4	8,091	5.7	415	1.5	7,676	6.7	5.1
Second Quintile	17,211	23.9	20,316	12.4	1,908	5.8	18,409	14.1	9.4
Middle Quintile	13,567	18.8	34,462	16.6	5,099	12.2	29,363	17.7	14.8
Fourth Quintile	11,717	16.3	52,696	21.9	10,491	21.7	42,205	21.9	19.9
Top Quintile	9,354	13.0	132,560	44.0	35,453	58.6	97,107	40.3	26.8
All	72,035	100.0	39,146	100.0	7,853	100.0	31,294	100.0	20.1
Addendum									
80-90	4,749	6.6	75,578	12.7	17,196	14.4	58,382	12.3	22.8
90-95	2,416	3.4	104,552	9.0	25,313	10.8	79,239	8.5	24.2
95-99	1,849	2.6	168,798	11.1	43,451	14.2	125,347	10.3	25.7
Top 1 Percent	340	0.5	931,104	11.2	319,268	19.2	611,836	9.2	34.3
Top 0.1 Percent	31	0.0	4,955,926	5.4	1,847,405	10.1	3,108,521	4.3	37.3

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

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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(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 T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
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 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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	0.0	0	0.0	0.0	-0.2	0.0	-4.0	
Second Quintile	0.0	0.0	0	0.0	0.0	1.2	0.0	6.4	
Middle Quintile	0.0	0.0	0	0.0	-0.1	5.7	0.0	12.5	
Fourth Quintile	0.0	0.0	0	0.0	-0.4	14.8	0.0	17.3	
Top Quintile	-1.1	100.0	1,903	3.0	0.5	78.3	0.8	27.0	
All	-0.7	100.0	602	2.3	0.0	100.0	0.5	22.6	
Addendum									
80-90	0.0	0.0	0	0.0	-0.3	14.7	0.0	20.5	
90-95	0.0	0.0	0	0.0	-0.3	11.7	0.0	22.5	
95-99	0.0	0.8	72	0.1	-0.4	17.2	0.0	25.2	
Top 1 Percent	-3.4	99.2	37,133	7.0	1.5	34.7	2.3	35.2	
Top 0.1 Percent	-4.5	60.8	220,940	8.4	1.0	17.9	2.9	37.8	

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

Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income 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	
Lowest Quintile	5,376	8.9	14,486	1.1	-576	-0.2	15,062	1.5	-4.0
Second Quintile	8,093	13.3	36,595	4.2	2,339	1.2	34,257	5.0	6.4
Middle Quintile	12,453	20.5	58,915	10.4	7,356	5.9	51,559	11.6	12.5
Fourth Quintile	15,271	25.1	89,679	19.3	15,513	15.2	74,166	20.5	17.3
Top Quintile	19,208	31.6	241,961	65.5	63,360	77.8	178,601	62.1	26.2
All	60,744	100.0	116,746	100.0	25,745	100.0	91,001	100.0	22.1
Addendum									
80-90	9,257	15.2	123,947	16.2	25,454	15.1	98,493	16.5	20.5
90-95	5,109	8.4	162,264	11.7	36,522	11.9	125,742	11.6	22.5
95-99	3,865	6.4	282,834	15.4	71,238	17.6	211,596	14.8	25.2
Top 1 Percent	977	1.6	1,615,663	22.3	531,849	33.2	1,083,814	19.2	32.9
Top 0.1 Percent	101	0.2	7,547,627	10.7	2,629,488	16.9	4,918,139	9.0	34.8

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

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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(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.

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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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.1	-13.4	0.0	-13.5
Second Quintile	0.0	0.0	0	0.0	-0.1	8.9	0.0	4.6
Middle Quintile	0.0	0.0	0	0.0	-0.3	29.7	0.0	15.2
Fourth Quintile	0.0	0.0	0	0.0	-0.3	30.3	0.0	19.2
Top Quintile	-0.7	100.0	775	1.9	0.5	44.4	0.5	25.8
All	-0.1	100.0	41	0.8	0.0	100.0	0.1	12.3
Addendum								
80-90	0.0	0.0	0	0.0	-0.1	14.9	0.0	22.2
90-95	0.0	0.0	0	0.0	-0.1	7.7	0.0	23.9
95-99	0.0	0.5	26	0.1	-0.1	9.0	0.0	25.7
Top 1 Percent	-3.2	99.5	29,271	6.9	0.7	12.8	2.2	33.7
Top 0.1 Percent	-4.6	66.6	207,917	9.3	0.5	6.6	3.1	36.3

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 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	
Lowest Quintile	8,034	34.8	13,983	12.2	-1,891	-13.5	15,874	15.7	-13.5
Second Quintile	6,829	29.6	31,795	23.5	1,474	8.9	30,322	25.5	4.6
Middle Quintile	4,455	19.3	49,950	24.1	7,567	30.0	42,382	23.3	15.2
Fourth Quintile	2,489	10.8	71,792	19.3	13,811	30.5	57,981	17.8	19.2
Top Quintile	1,222	5.3	160,037	21.2	40,473	44.0	119,564	18.0	25.3
All	23,101	100.0	40,006	100.0	4,871	100.0	35,134	100.0	12.2
Addendum									
80-90	740	3.2	102,711	8.2	22,831	15.0	79,879	7.3	22.2
90-95	273	1.2	133,416	4.0	31,840	7.7	101,577	3.4	23.9
95-99	176	0.8	226,780	4.3	58,235	9.1	168,544	3.7	25.7
Top 1 Percent	32	0.1	1,339,304	4.7	422,285	12.1	917,018	3.6	31.5
Top 0.1 Percent	3	0.0	6,750,433	2.2	2,245,482	6.1	4,504,951	1.7	33.3

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

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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

For a description of ATRA provisions, see:

<http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>

(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) 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 T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.1	-2.6	0.0	-15.1
Second Quintile	0.0	0.0	0	0.0	-0.1	2.1	0.0	4.8
Middle Quintile	0.0	0.0	0	0.0	-0.3	10.5	0.0	15.2
Fourth Quintile	0.0	0.0	0	0.0	-0.5	19.9	0.0	19.0
Top Quintile	-1.3	100.0	2,514	3.4	0.7	70.1	0.9	28.0
All	-0.6	100.0	420	2.4	0.0	100.0	0.5	20.8
Addendum								
80-90	0.0	0.0	0	0.0	-0.4	15.4	0.0	22.1
90-95	0.0	0.0	0	0.0	-0.2	8.7	0.0	23.8
95-99	-0.1	1.2	150	0.2	-0.3	15.6	0.1	26.5
Top 1 Percent	-3.9	98.8	47,362	8.1	1.6	30.5	2.6	35.4
Top 0.1 Percent	-4.9	53.6	280,061	9.2	0.9	14.7	3.2	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 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	
Lowest Quintile	10,949	21.8	14,497	3.6	-2,190	-2.7	16,688	5.2	-15.1
Second Quintile	10,714	21.4	36,326	8.8	1,759	2.1	34,567	10.5	4.8
Middle Quintile	10,166	20.3	62,074	14.3	9,410	10.7	52,664	15.2	15.2
Fourth Quintile	9,735	19.4	97,977	21.6	18,659	20.3	79,318	22.0	19.0
Top Quintile	8,378	16.7	273,829	52.1	74,015	69.4	199,814	47.6	27.0
All	50,150	100.0	87,888	100.0	17,818	100.0	70,070	100.0	20.3
Addendum									
80-90	4,581	9.1	139,259	14.5	30,721	15.8	108,537	14.2	22.1
90-95	1,696	3.4	196,218	7.6	46,721	8.9	149,498	7.2	23.8
95-99	1,662	3.3	322,508	12.2	85,424	15.9	237,083	11.2	26.5
Top 1 Percent	439	0.9	1,792,201	17.9	587,556	28.9	1,204,644	15.1	32.8
Top 0.1 Percent	40	0.1	8,825,262	8.1	3,048,232	13.8	5,777,030	6.6	34.5

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

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

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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

For a description of ATRA provisions, see:

<http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>

(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) 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 T13-0007
The American Taxpayer Relief Act of 2012 (ATRA) as Passed by the Senate
Step 4 of 7: High Income Rates, Pease, and PEP
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 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	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0	0.0	0.0	0.1	0.0	0.7
Second Quintile	0.0	0.0	0	0.0	0.0	0.8	0.0	1.5
Middle Quintile	0.0	0.0	0	0.0	-0.1	4.0	0.0	4.4
Fourth Quintile	0.0	0.0	0	0.0	-0.2	10.8	0.0	9.8
Top Quintile	-0.7	100.0	973	2.1	0.3	84.2	0.5	24.3
All	-0.3	100.0	184	1.7	0.0	100.0	0.3	16.3
Addendum								
80-90	0.0	0.0	0	0.0	-0.2	11.6	0.0	14.6
90-95	0.0	0.0	0	0.0	-0.2	11.2	0.0	17.9
95-99	0.0	0.4	17	0.0	-0.3	19.2	0.0	22.2
Top 1 Percent	-2.2	99.6	18,193	4.2	1.0	42.2	1.4	35.5
Top 0.1 Percent	-3.3	71.3	130,372	5.7	0.9	22.7	2.1	38.8

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

Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income 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	
Lowest Quintile	5,152	14.7	10,284	2.3	75	0.1	10,210	2.7	0.7
Second Quintile	8,903	25.3	22,201	8.6	329	0.8	21,873	10.0	1.5
Middle Quintile	8,102	23.1	41,688	14.6	1,841	4.0	39,847	16.6	4.4
Fourth Quintile	6,300	17.9	66,058	18.0	6,497	11.0	59,562	19.3	9.8
Top Quintile	6,648	18.9	197,406	56.7	46,904	84.0	150,502	51.5	23.8
All	35,135	100.0	65,837	100.0	10,569	100.0	55,268	100.0	16.1
Addendum									
80-90	3,052	8.7	98,141	13.0	14,305	11.8	83,836	13.2	14.6
90-95	1,778	5.1	133,313	10.3	23,885	11.4	109,428	10.0	17.9
95-99	1,463	4.2	223,287	14.1	49,651	19.6	173,636	13.1	22.2
Top 1 Percent	354	1.0	1,267,910	19.4	432,135	41.2	835,775	15.2	34.1
Top 0.1 Percent	35	0.1	6,252,940	9.6	2,294,731	21.9	3,958,209	7.2	36.7

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

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

(1) Calendar year. Initial baseline is current policy with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses. Baseline for this step is that modified form of current policy plus steps 1 through 3 of the analysis. For a description of TPC's current law and current policy baselines, see

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