

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2018 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut		With Tax Increase					Change (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	0.0	0	25.3	985	-1.7	8.0	249	1.6	4.7
Second Quintile	*	**	21.0	733	-0.5	4.5	154	0.4	11.8
Middle Quintile	1.0	-233	20.1	505	-0.2	2.6	99	0.2	16.6
Fourth Quintile	1.8	-551	23.7	489	-0.1	2.3	105	0.1	20.0
Top Quintile	18.2	-1,195	29.5	15,766	-1.9	82.6	4,395	1.3	29.3
All	3.2	-1,074	23.6	3,488	-1.1	100.0	781	0.9	23.1
Addendum									
80-90	2.1	-627	30.9	936	-0.2	2.6	278	0.2	22.6
90-95	14.7	-876	24.6	761	0.0	0.2	52	0.0	24.1
95-99	66.0	-1,344	16.2	2,761	0.2	-1.8	-491	-0.1	27.3
Top 1 Percent	7.3	-642	91.7	94,479	-5.2	81.6	86,031	3.4	36.6
Top 0.1 Percent	0.2	-539	99.6	500,827	-6.4	48.1	495,968	4.2	38.6

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

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 4.6

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (7) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (8) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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>

<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>

<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% \$24,446; 40% \$45,536; 60% \$72,847; 80% \$115,180; 90% \$160,620; 95% \$232,956; 99% \$609,956; 99.9% \$3,802,073.

(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 T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2018 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	25.3	-1.7	8.0	249	52.8	0.3	0.9	1.6	4.7
Second Quintile	*	21.0	-0.5	4.5	154	3.5	0.0	5.0	0.4	11.8
Middle Quintile	1.0	20.1	-0.2	2.6	99	0.9	-0.3	10.3	0.2	16.6
Fourth Quintile	1.8	23.7	-0.1	2.3	105	0.5	-0.6	16.6	0.1	20.0
Top Quintile	18.2	29.5	-1.9	82.6	4,395	4.8	0.6	67.2	1.3	29.3
All	3.2	23.6	-1.1	100.0	781	3.9	0.0	100.0	0.9	23.1
Addendum										
80-90	2.1	30.9	-0.2	2.6	278	0.8	-0.4	11.9	0.2	22.6
90-95	14.7	24.6	0.0	0.2	52	0.1	-0.4	9.2	0.0	24.1
95-99	66.0	16.2	0.2	-1.8	-491	-0.5	-0.6	13.8	-0.1	27.3
Top 1 Percent	7.3	91.7	-5.2	81.6	86,031	10.4	1.9	32.4	3.4	36.6
Top 0.1 Percent	0.2	99.6	-6.4	48.1	495,968	12.2	1.2	16.6	4.2	38.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2018 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	41,318	25.2	15,445	4.3	472	0.6	14,973	5.4	3.1	
Second Quintile	37,279	22.8	38,717	9.7	4,410	5.0	34,307	11.1	11.4	
Middle Quintile	32,896	20.1	64,472	14.3	10,617	10.6	53,854	15.3	16.5	
Fourth Quintile	27,546	16.8	102,956	19.1	20,530	17.1	82,426	19.7	19.9	
Top Quintile	24,072	14.7	326,769	53.0	91,374	66.6	235,395	49.1	28.0	
All	163,891	100.0	90,617	100.0	20,148	100.0	70,470	100.0	22.2	
Addendum										
80-90	12,128	7.4	148,383	12.1	33,287	12.2	115,096	12.1	22.4	
90-95	5,945	3.6	218,813	8.8	52,777	9.5	166,036	8.6	24.1	
95-99	4,785	2.9	362,121	11.7	99,422	14.4	262,699	10.9	27.5	
Top 1 Percent	1,214	0.7	2,498,081	20.4	828,932	30.5	1,669,150	17.6	33.2	
Top 0.1 Percent	124	0.1	11,842,531	9.9	4,075,239	15.3	7,767,292	8.4	34.4	

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

Number of AMT Taxpayers (millions). Baseline: 6.1 Proposal: 4.6

* Less than 0.05

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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% \$24,446; 40% \$45,536; 60% \$72,847; 80% \$115,180; 90% \$160,620; 95% \$232,956; 99% \$609,956; 99.9% \$3,802,073.

(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 T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	34.6	-2.5	9.4	359	-255.1	0.4	0.2	2.5	1.5
Second Quintile	0.1	20.9	-0.4	3.5	138	4.0	0.0	3.5	0.4	10.4
Middle Quintile	0.3	15.7	-0.2	2.1	79	0.9	-0.2	8.3	0.1	14.9
Fourth Quintile	1.2	22.1	-0.2	3.0	122	0.7	-0.5	15.9	0.1	19.5
Top Quintile	14.6	24.6	-1.7	81.9	3,266	4.4	0.4	72.1	1.2	28.8
All	3.2	23.6	-1.1	100.0	781	3.9	0.0	100.0	0.9	23.1
Addendum										
80-90	3.7	24.4	-0.1	1.8	141	0.5	-0.5	13.7	0.1	22.4
90-95	14.0	20.0	0.0	-0.2	-31	-0.1	-0.4	10.2	0.0	24.4
95-99	44.7	17.6	0.1	-1.3	-270	-0.3	-0.6	15.0	-0.1	26.7
Top 1 Percent	15.6	82.8	-5.0	81.6	73,893	10.1	1.9	33.2	3.3	36.4
Top 0.1 Percent	0.3	99.5	-6.4	49.8	441,533	12.1	1.3	17.2	4.2	38.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	33,501	20.4	14,475	3.3	-141	-0.1	14,616	4.2	-1.0	
Second Quintile	32,865	20.1	34,927	7.7	3,481	3.5	31,446	9.0	10.0	
Middle Quintile	33,217	20.3	57,201	12.8	8,446	8.5	48,755	14.0	14.8	
Fourth Quintile	31,397	19.2	88,987	18.8	17,247	16.4	71,740	19.5	19.4	
Top Quintile	32,131	19.6	266,953	57.8	73,650	71.7	193,302	53.8	27.6	
All	163,891	100.0	90,617	100.0	20,148	100.0	70,470	100.0	22.2	
Addendum										
80-90	16,666	10.2	125,874	14.1	28,043	14.2	97,831	14.1	22.3	
90-95	7,894	4.8	180,896	9.6	44,217	10.6	136,679	9.3	24.4	
95-99	6,157	3.8	312,108	12.9	83,539	15.6	228,568	12.2	26.8	
Top 1 Percent	1,414	0.9	2,213,107	21.1	732,294	31.4	1,480,813	18.1	33.1	
Top 0.1 Percent	144	0.1	10,600,226	10.3	3,649,983	16.0	6,950,242	8.7	34.4	

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

Number of AMT Taxpayers (millions). Baseline: 6.1 Proposal: 4.6

* Less than 0.05

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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% \$16,546; 40% \$29,947; 60% \$46,149; 80% \$70,529; 90% \$99,621; 95% \$139,412; 99% \$366,269; 99.9% \$2,304,819.

(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 T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	12.9	-1.1	10.8	115	17.2	0.2	1.8	1.1	7.2
Second Quintile	0.0	8.6	-0.2	4.0	50	1.8	0.0	5.6	0.2	10.9
Middle Quintile	0.0	10.6	-0.1	3.5	48	0.7	-0.2	11.9	0.1	15.5
Fourth Quintile	0.1	16.3	-0.1	3.9	63	0.5	-0.4	20.2	0.1	20.7
Top Quintile	5.5	19.6	-1.2	77.6	1,469	3.3	0.4	60.3	0.9	28.4
All	0.8	13.0	-0.7	100.0	274	2.5	0.0	100.0	0.5	21.6
Addendum										
80-90	0.3	19.1	-0.1	2.7	92	0.4	-0.3	15.8	0.1	23.7
90-95	1.0	16.3	-0.1	1.2	82	0.3	-0.3	11.7	0.1	25.2
95-99	29.9	18.1	0.0	-0.1	-18	0.0	-0.3	11.5	0.0	26.8
Top 1 Percent	25.4	70.1	-4.9	73.9	50,339	9.3	1.3	21.4	3.2	37.5
Top 0.1 Percent	0.4	99.2	-6.8	51.3	337,411	11.9	1.0	11.9	4.3	40.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	18,589	25.7	10,887	5.4	673	1.6	10,214	6.5	6.2
Second Quintile	16,029	22.1	25,989	11.2	2,771	5.7	23,218	12.7	10.7
Middle Quintile	14,598	20.2	42,387	16.6	6,509	12.1	35,879	17.8	15.4
Fourth Quintile	12,320	17.0	63,817	21.1	13,135	20.6	50,683	21.3	20.6
Top Quintile	10,478	14.5	163,231	46.0	44,805	59.9	118,425	42.3	27.5
All	72,413	100.0	51,364	100.0	10,828	100.0	40,535	100.0	21.1
Addendum									
80-90	5,760	8.0	92,873	14.4	21,957	16.1	70,915	13.9	23.6
90-95	2,913	4.0	128,452	10.1	32,243	12.0	96,209	9.6	25.1
95-99	1,513	2.1	227,105	9.2	60,835	11.7	166,270	8.6	26.8
Top 1 Percent	291	0.4	1,571,526	12.3	539,324	20.0	1,032,202	10.2	34.3
Top 0.1 Percent	30	0.0	7,803,555	6.3	2,837,928	10.9	4,965,627	5.1	36.4

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

* Less than 0.05

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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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(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% \$16,546; 40% \$29,947; 60% \$46,149; 80% \$70,529; 90% \$99,621; 95% \$139,412; 99% \$366,269; 99.9% \$2,304,819.

(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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Major Individual Income Tax and Estate Tax Provisions
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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	49.0	-2.7	3.4	568	-134.8	0.1	0.0	2.8	0.7
Second Quintile	0.0	38.7	-0.6	2.4	249	5.6	0.0	1.8	0.5	10.1
Middle Quintile	0.0	19.5	-0.2	1.3	91	0.9	-0.2	5.6	0.1	13.7
Fourth Quintile	0.1	27.5	-0.2	3.0	178	0.9	-0.4	13.7	0.2	18.7
Top Quintile	17.0	28.4	-1.8	89.9	4,279	4.8	0.5	78.8	1.3	28.9
All	5.3	29.6	-1.3	100.0	1,475	4.2	0.0	100.0	1.0	24.5
Addendum										
80-90	2.4	29.4	-0.2	2.1	205	0.7	-0.5	13.1	0.1	21.7
90-95	19.3	23.2	0.1	-0.4	-75	-0.1	-0.4	10.1	0.0	24.0
95-99	47.9	18.0	0.1	-1.6	-339	-0.4	-0.8	17.0	-0.1	26.6
Top 1 Percent	13.2	86.1	-5.0	89.7	79,293	10.2	2.1	38.6	3.4	36.3
Top 0.1 Percent	0.2	99.6	-6.3	52.7	470,246	12.1	1.4	19.4	4.2	38.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	5,655	8.9	20,312	1.2	-421	-0.1	20,734	1.6	-2.1	
Second Quintile	9,037	14.2	46,436	4.4	4,456	1.8	41,980	5.2	9.6	
Middle Quintile	13,294	20.8	72,393	10.0	9,840	5.8	62,554	11.3	13.6	
Fourth Quintile	15,804	24.8	109,412	17.9	20,330	14.2	89,082	19.1	18.6	
Top Quintile	19,775	31.0	325,999	66.9	89,930	78.3	236,069	63.4	27.6	
All	63,854	100.0	150,965	100.0	35,563	100.0	115,402	100.0	23.6	
Addendum										
80-90	9,686	15.2	146,806	14.8	31,690	13.5	115,116	15.1	21.6	
90-95	4,618	7.2	216,079	10.4	52,005	10.6	164,074	10.3	24.1	
95-99	4,406	6.9	342,875	15.7	91,432	17.7	251,443	15.0	26.7	
Top 1 Percent	1,065	1.7	2,362,214	26.1	777,734	36.5	1,584,479	22.9	32.9	
Top 0.1 Percent	105	0.2	11,338,152	12.4	3,874,720	18.0	7,463,432	10.7	34.2	

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

* Less than 0.05

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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% \$16,546; 40% \$29,947; 60% \$46,149; 80% \$70,529; 90% \$99,621; 95% \$139,412; 99% \$366,269; 99.9% \$2,304,819.

(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 T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	71.5	-3.7	59.8	745	-43.1	4.1	-4.7	4.1	-5.4
Second Quintile	0.0	27.1	-0.6	13.2	202	5.5	-0.1	15.2	0.5	9.6
Middle Quintile	0.2	22.3	-0.3	6.6	162	1.6	-1.2	25.5	0.3	17.0
Fourth Quintile	2.0	20.6	-0.2	3.2	135	0.7	-1.4	25.8	0.2	20.6
Top Quintile	21.6	13.5	-1.0	17.0	1,424	2.7	-1.3	38.1	0.7	27.1
All	1.4	40.8	-1.1	100.0	449	6.3	0.0	100.0	0.9	15.2
Addendum										
80-90	8.7	12.2	0.0	0.0	4	0.0	-0.9	13.6	0.0	23.4
90-95	30.7	14.0	0.2	-0.4	-200	-0.5	-0.4	5.4	-0.1	25.1
95-99	78.2	6.7	0.3	-1.0	-676	-0.8	-0.5	7.2	-0.2	26.8
Top 1 Percent	15.4	81.9	-4.7	18.5	64,597	10.2	0.4	11.9	3.2	35.0
Top 0.1 Percent	0.2	99.6	-6.3	10.9	449,261	12.9	0.3	5.7	4.2	37.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	8,916	36.0	18,299	13.2	-1,729	-8.8	20,028	16.9	-9.5
Second Quintile	7,289	29.4	40,483	24.0	3,702	15.4	36,781	25.4	9.2
Middle Quintile	4,533	18.3	61,854	22.8	10,355	26.7	51,499	22.1	16.7
Fourth Quintile	2,639	10.7	88,517	19.0	18,113	27.2	70,404	17.6	20.5
Top Quintile	1,330	5.4	197,293	21.3	52,062	39.4	145,231	18.3	26.4
All	24,767	100.0	49,759	100.0	7,095	100.0	42,664	100.0	14.3
Addendum									
80-90	887	3.6	122,576	8.8	28,632	14.5	93,944	7.9	23.4
90-95	245	1.0	164,321	3.3	41,477	5.8	122,844	2.9	25.2
95-99	166	0.7	300,292	4.0	81,237	7.7	219,055	3.4	27.1
Top 1 Percent	32	0.1	2,001,644	5.2	636,091	11.5	1,365,552	4.1	31.8
Top 0.1 Percent	3	0.0	10,616,661	2.3	3,495,776	5.4	7,120,885	1.8	32.9

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

* Less than 0.05

(1) Calendar year. Baseline is current policy before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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% \$16,546; 40% \$29,947; 60% \$46,149; 80% \$70,529; 90% \$99,621; 95% \$139,412; 99% \$366,269; 99.9% \$2,304,819.

(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 T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	75.9	-3.9	16.5	839	-39.8	0.8	-1.1	4.3	-6.5
Second Quintile	0.2	44.0	-0.7	5.7	305	6.9	0.1	4.0	0.7	10.2
Middle Quintile	1.0	28.6	-0.3	2.8	168	1.3	-0.3	9.8	0.2	17.0
Fourth Quintile	1.5	33.3	-0.3	4.3	254	1.1	-0.7	18.7	0.2	20.6
Top Quintile	29.6	29.7	-2.0	70.7	5,232	4.9	0.1	68.6	1.4	30.0
All	5.2	44.0	-1.3	100.0	1,171	4.7	0.0	100.0	1.1	23.1
Addendum										
80-90	7.8	34.2	-0.3	2.1	322	0.8	-0.5	11.8	0.2	23.6
90-95	40.4	18.4	0.2	-1.2	-328	-0.5	-0.6	10.7	-0.1	25.3
95-99	76.0	16.8	0.1	-1.1	-415	-0.3	-0.7	14.0	-0.1	28.5
Top 1 Percent	3.5	95.8	-5.5	70.9	100,445	11.1	1.8	32.1	3.7	36.6
Top 0.1 Percent	0.1	99.7	-6.5	37.5	555,108	12.5	1.1	15.2	4.3	38.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	12,067	23.0	19,514	4.0	-2,109	-2.0	21,624	5.7	-10.8
Second Quintile	11,465	21.8	46,337	9.0	4,424	3.9	41,913	10.5	9.6
Middle Quintile	10,117	19.3	77,367	13.3	12,967	10.1	64,401	14.2	16.8
Fourth Quintile	10,372	19.8	118,855	21.0	24,222	19.4	94,634	21.4	20.4
Top Quintile	8,308	15.8	374,720	53.0	107,040	68.5	267,680	48.6	28.6
All	52,505	100.0	111,923	100.0	24,727	100.0	87,196	100.0	22.1
Addendum									
80-90	3,996	7.6	170,046	11.6	39,885	12.3	130,162	11.4	23.5
90-95	2,297	4.4	249,645	9.8	63,582	11.3	186,063	9.3	25.5
95-99	1,582	3.0	422,940	11.4	120,734	14.7	302,206	10.4	28.6
Top 1 Percent	434	0.8	2,745,554	20.3	905,504	30.3	1,840,051	17.4	33.0
Top 0.1 Percent	42	0.1	13,027,260	9.2	4,433,921	14.2	8,593,339	7.8	34.0

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 before the passage of ATRA. 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 phase-out (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; (6) index the AMT exemption phase-out threshold and tax bracket threshold for inflation after 2012; (7) allow the American Opportunity Tax Credit to expire at the end of 2017 and reinstate the Hope Scholarship Credit for 2018 and thereafter; (8) allow the enhancements to the earned income tax credit and the child tax credit originally enacted in the 2009 stimulus legislation to expire at the end of 2017; (9) allow the sales tax deduction, the above-the-line deductions for education expenses, and the educator deduction to expire at the end of 2013. The analysis 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>

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

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

Table T13-0025
The American Taxpayer Relief Act of 2012 (ATRA)
Major Individual Income Tax and Estate Tax Provisions
Excludes Certain Business Extenders and Other Provisions
Baseline: Pre-ATRA Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2018 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	0.9	-0.1	0.2	8	6.6	0.0	0.1	0.1	0.9
Second Quintile	0.0	2.5	-0.1	0.6	18	2.6	0.0	1.0	0.1	2.4
Middle Quintile	0.0	5.5	0.0	0.7	16	0.6	-0.2	4.7	0.0	5.6
Fourth Quintile	0.6	17.0	-0.1	1.1	38	0.4	-0.4	10.7	0.1	11.6
Top Quintile	8.5	25.6	-1.7	97.4	3,203	5.0	0.6	83.5	1.2	26.2
All	1.7	10.1	-0.9	100.0	630	4.2	0.0	100.0	0.7	18.2
Addendum										
80-90	1.0	24.1	-0.1	1.3	82	0.5	-0.4	11.4	0.1	15.7
90-95	2.7	21.5	-0.1	0.7	104	0.3	-0.3	8.4	0.1	19.4
95-99	29.4	20.8	0.0	-0.2	-28	0.0	-0.7	17.4	0.0	23.3
Top 1 Percent	19.5	78.0	-4.6	95.6	60,304	9.2	2.1	46.2	3.1	36.4
Top 0.1 Percent	0.3	99.3	-6.1	61.8	375,482	11.3	1.6	24.6	4.0	39.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2018 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	5,565	14.6	13,540	2.3	113	0.1	13,427	2.8	0.8	
Second Quintile	8,758	22.9	29,061	7.8	672	1.0	28,390	9.2	2.3	
Middle Quintile	9,586	25.1	51,552	15.1	2,876	4.8	48,675	17.3	5.6	
Fourth Quintile	6,989	18.3	78,807	16.9	9,073	11.1	69,735	18.1	11.5	
Top Quintile	7,329	19.2	258,274	58.0	64,576	82.9	193,699	52.7	25.0	
All	38,257	100.0	85,313	100.0	14,928	100.0	70,384	100.0	17.5	
Addendum										
80-90	3,736	9.8	115,724	13.2	18,136	11.9	97,589	13.5	15.7	
90-95	1,616	4.2	159,820	7.9	30,819	8.7	129,001	7.7	19.3	
95-99	1,595	4.2	279,468	13.7	65,063	18.2	214,404	12.7	23.3	
Top 1 Percent	382	1.0	1,979,702	23.2	659,285	44.1	1,320,417	18.7	33.3	
Top 0.1 Percent	40	0.1	9,434,256	11.5	3,320,403	23.1	6,113,853	9.0	35.2	

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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(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.