

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Summary Table**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units with Tax Increase or Cut <sup>3</sup> |             |                     |                     | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of<br>Total<br>Federal Tax<br>Change | Average<br>Federal Tax<br>Change (\$) | Average Federal Tax Rate <sup>5</sup> |                       |
|--|---|-------------|---------------------|---------------------|--|--|---------------------------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                                    |             | With Tax Increase   |                     |  |  |                                       | Change (%)<br>Points)                 | Under the<br>Proposal |
|  | Pct of Tax<br>Units                             | Avg Tax Cut | Pct of Tax<br>Units | Avg Tax<br>Increase |  |  |                                       |                                       |                       |
| <b>Less than 10</b>  | 22.7  | -816        | 6.5                 | 24                  | 2.8  | -1.6                                       | -184                                  | -2.7                                  | 3.1                   |
| <b>10-20</b>   | 27.8  | -1,126      | 35.0                | 45                  | 1.6  | -5.2                                       | -297                                  | -1.6                                  | 2.5                   |
| <b>20-30</b>   | 18.6  | -912        | 50.9                | 92                  | 0.4  | -2.5                                       | -125                                  | -0.4                                  | 7.7                   |
| <b>30-40</b>   | 16.9  | -618        | 68.3                | 91                  | 0.1  | -0.8                                       | -42                                   | -0.1                                  | 11.9                  |
| <b>40-50</b>   | 16.1  | -568        | 75.5                | 77                  | 0.1  | -0.6                                       | -33                                   | -0.1                                  | 15.0                  |
| <b>50-75</b>   | 10.4  | -649        | 85.3                | 116                 | -0.1   | 0.9  | 32                                    | 0.0                                   | 17.3                  |
| <b>75-100</b>  | 7.3   | -482        | 91.0                | 129                 | -0.1   | 1.6  | 81                                    | 0.1                                   | 19.8                  |
| <b>100-200</b>   | 6.0   | -1,061      | 93.2                | 261                 | -0.1   | 4.4  | 178                                   | 0.1                                   | 22.4                  |
| <b>200-500</b>   | 0.1   | -1,085      | 99.6                | 2,512               | -1.0   | 18.0                                       | 2,493                                 | 0.8                                   | 27.0                  |
| <b>500-1,000</b>   | 0.1   | -279        | 99.2                | 11,504              | -2.0   | 11.7                                       | 11,382                                | 1.4                                   | 33.2                  |
| <b>More than 1,000</b>   | *   | **          | 99.9                | 84,544              | -3.2   | 74.0                                       | 84,381                                | 2.0                                   | 39.5                  |
| <b>All</b>   | 13.6  | -813        | 71.1                | 1,004               | -0.7   | 100.0                                      | 602                                   | 0.6                                   | 24.3                  |

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.8

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 22.7                              | 6.5               | 2.8   | -1.6                                    | -184                       | -46.4   | 0.0                    | 0.0                   | -2.7                                  | 3.1                   |
| 10-20  | 27.8                              | 35.0              | 1.6   | -5.2                                    | -297                       | -38.8   | -0.1                   | 0.2                   | -1.6                                  | 2.5                   |
| 20-30  | 18.6                              | 50.9              | 0.4   | -2.5                                    | -125                       | -4.9    | -0.1                   | 1.1                   | -0.4                                  | 7.7                   |
| 30-40  | 16.9                              | 68.3              | 0.1   | -0.8                                    | -42                        | -0.8    | -0.1                   | 2.1                   | -0.1                                  | 11.9                  |
| 40-50  | 16.1                              | 75.5              | 0.1   | -0.6                                    | -33                        | -0.4    | -0.1                   | 3.4                   | -0.1                                  | 15.0                  |
| 50-75  | 10.4                              | 85.3              | -0.1  | 0.9                                     | 32                         | 0.2     | -0.2                   | 8.9                   | 0.0                                   | 17.3                  |
| 75-100   | 7.3                               | 91.0              | -0.1  | 1.6                                     | 81                         | 0.4     | -0.2                   | 9.8                   | 0.1                                   | 19.8                  |
| 100-200  | 6.0                               | 93.2              | -0.1  | 4.4                                     | 178                        | 0.5     | -0.4                   | 20.8                  | 0.1                                   | 22.4                  |
| 200-500  | 0.1                               | 99.6              | -1.0  | 18.0                                    | 2,493                      | 2.9     | 0.1                    | 14.2                  | 0.8                                   | 27.0                  |
| 500-1,000  | 0.1                               | 99.2              | -2.0  | 11.7                                    | 11,382                     | 4.3     | 0.1                    | 6.4                   | 1.4                                   | 33.2                  |
| More than 1,000  | *                                 | 99.9              | -3.2  | 74.0                                    | 84,381                     | 5.4     | 1.0                    | 32.9                  | 2.0                                   | 39.5                  |
| All  | 13.6                              | 71.1              | -0.7  | 100.0                                   | 602                        | 2.3     | 0.0                    | 100.0                 | 0.6                                   | 24.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 9,082                 | 5.3                 | 6,932             | 0.3                 | 396                | 0.1                 | 6,536                         | 0.4                 | 5.7   |
| 10-20  | 18,066                | 10.6                | 18,914            | 1.8                 | 765                | 0.3                 | 18,149                        | 2.3                 | 4.1   |
| 20-30  | 20,135                | 11.8                | 31,356            | 3.4                 | 2,542              | 1.2                 | 28,814                        | 4.1                 | 8.1   |
| 30-40  | 18,759                | 11.0                | 43,646            | 4.4                 | 5,219              | 2.2                 | 38,427                        | 5.0                 | 12.0  |
| 40-50  | 18,234                | 10.6                | 56,374            | 5.5                 | 8,488              | 3.5                 | 47,886                        | 6.1                 | 15.1  |
| 50-75  | 30,499                | 17.8                | 77,168            | 12.6                | 13,294             | 9.1                 | 63,874                        | 13.6                | 17.2  |
| 75-100   | 20,574                | 12.0                | 109,977           | 12.1                | 21,666             | 10.0                | 88,312                        | 12.7                | 19.7  |
| 100-200  | 25,785                | 15.1                | 164,030           | 22.6                | 36,609             | 21.2                | 127,421                       | 23.0                | 22.3  |
| 200-500  | 7,434                 | 4.3                 | 323,457           | 12.8                | 84,684             | 14.1                | 238,773                       | 12.4                | 26.2  |
| 500-1,000  | 1,062                 | 0.6                 | 824,288           | 4.7                 | 262,512            | 6.3                 | 561,776                       | 4.2                 | 31.9  |
| More than 1,000  | 905                   | 0.5                 | 4,192,322         | 20.3                | 1,570,893          | 32.0                | 2,621,429                     | 16.6                | 37.5  |
| All  | 171,307               | 100.0               | 109,400           | 100.0               | 25,983             | 100.0               | 83,416                        | 100.0               | 23.8  |

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.8

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Single Tax Units**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 10.5                              | 8.1               | 1.4   | -3.4                                    | -87                        | -13.3   | -0.1                   | 0.4                   | -1.3                                  | 8.3                   |
| 10-20  | 9.9                               | 44.0              | 0.5   | -5.7                                    | -82                        | -5.2    | -0.1                   | 1.7                   | -0.4                                  | 8.0                   |
| 20-30  | 6.8                               | 53.8              | 0.1   | -1.8                                    | -25                        | -0.7    | -0.1                   | 4.2                   | -0.1                                  | 11.4                  |
| 30-40  | 5.2                               | 80.7              | 0.0   | 1.0                                     | 17                         | 0.3     | -0.1                   | 6.1                   | 0.0                                   | 14.5                  |
| 40-50  | 3.6                               | 93.2              | -0.1  | 2.1                                     | 37                         | 0.4     | -0.1                   | 8.8                   | 0.1                                   | 17.1                  |
| 50-75  | 2.9                               | 96.0              | -0.2  | 7.3                                     | 103                        | 0.6     | -0.2                   | 19.0                  | 0.1                                   | 21.1                  |
| 75-100   | 0.6                               | 98.7              | -0.2  | 4.8                                     | 148                        | 0.6     | -0.2                   | 13.9                  | 0.1                                   | 23.7                  |
| 100-200  | *                                 | 98.9              | -0.2  | 5.3                                     | 216                        | 0.6     | -0.2                   | 16.1                  | 0.1                                   | 25.4                  |
| 200-500  | 0.0                               | 99.3              | -1.2  | 11.8                                    | 2,738                      | 3.0     | 0.1                    | 6.8                   | 0.8                                   | 28.8                  |
| 500-1,000  | *                                 | 98.4              | -1.9  | 7.5                                     | 10,408                     | 3.7     | 0.1                    | 3.5                   | 1.3                                   | 35.2                  |
| More than 1,000  | 0.0                               | 99.8              | -4.2  | 71.3                                    | 107,520                    | 6.4     | 0.9                    | 19.6                  | 2.5                                   | 42.2                  |
| All  | 5.4                               | 70.1              | -0.5  | 100.0                                   | 233                        | 1.7     | 0.0                    | 100.0                 | 0.4                                   | 22.4                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 6,662                 | 9.0                 | 6,808             | 1.0                 | 654                | 0.4                 | 6,155                         | 1.1                 | 9.6   |
| 10-20  | 11,918                | 16.2                | 18,803            | 4.8                 | 1,581              | 1.9                 | 17,222                        | 5.7                 | 8.4   |
| 20-30  | 12,222                | 16.6                | 31,219            | 8.2                 | 3,568              | 4.3                 | 27,650                        | 9.4                 | 11.4  |
| 30-40  | 9,983                 | 13.6                | 43,621            | 9.4                 | 6,319              | 6.2                 | 37,302                        | 10.3                | 14.5  |
| 40-50  | 9,516                 | 12.9                | 56,249            | 11.6                | 9,552              | 8.9                 | 46,697                        | 12.3                | 17.0  |
| 50-75  | 12,231                | 16.6                | 76,429            | 20.2                | 15,994             | 19.2                | 60,435                        | 20.5                | 20.9  |
| 75-100   | 5,590                 | 7.6                 | 108,546           | 13.1                | 25,524             | 14.0                | 83,021                        | 12.9                | 23.5  |
| 100-200  | 4,170                 | 5.7                 | 157,125           | 14.2                | 39,713             | 16.3                | 117,413                       | 13.6                | 25.3  |
| 200-500  | 736                   | 1.0                 | 330,823           | 5.3                 | 92,505             | 6.7                 | 238,318                       | 4.9                 | 28.0  |
| 500-1,000  | 123                   | 0.2                 | 835,162           | 2.2                 | 283,304            | 3.4                 | 551,858                       | 1.9                 | 33.9  |
| More than 1,000  | 114                   | 0.2                 | 4,233,673         | 10.4                | 1,679,729          | 18.7                | 2,553,944                     | 8.0                 | 39.7  |
| All  | 73,658                | 100.0               | 62,834            | 100.0               | 13,839             | 100.0               | 48,995                        | 100.0               | 22.0  |

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

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 26.6                              | 4.6               | 4.0   | -0.2                                    | -235                       | -58.0   | 0.0                    | 0.0                   | -3.7                                  | 2.7                   |
| 10-20  | 43.8                              | 12.2              | 2.7   | -1.1                                    | -522                       | 1,194.4 | 0.0                    | 0.0                   | -2.7                                  | -2.9                  |
| 20-30  | 40.8                              | 23.7              | 1.2   | -1.3                                    | -365                       | -31.1   | 0.0                    | 0.1                   | -1.2                                  | 2.6                   |
| 30-40  | 36.9                              | 32.1              | 0.6   | -1.0                                    | -226                       | -6.6    | 0.0                    | 0.4                   | -0.5                                  | 7.3                   |
| 40-50  | 32.3                              | 43.5              | 0.3   | -0.9                                    | -167                       | -2.7    | -0.1                   | 0.9                   | -0.3                                  | 10.5                  |
| 50-75  | 12.0                              | 79.5              | 0.0   | 0.2                                     | 10                         | 0.1     | -0.1                   | 4.1                   | 0.0                                   | 13.3                  |
| 75-100   | 9.9                               | 87.8              | 0.0   | 0.5                                     | 35                         | 0.2     | -0.2                   | 7.7                   | 0.0                                   | 17.6                  |
| 100-200  | 7.6                               | 91.7              | -0.1  | 3.5                                     | 148                        | 0.4     | -0.5                   | 22.8                  | 0.1                                   | 21.7                  |
| 200-500  | 0.1                               | 99.6              | -1.0  | 18.5                                    | 2,431                      | 2.9     | 0.0                    | 17.7                  | 0.8                                   | 26.7                  |
| 500-1,000  | *                                 | 99.5              | -2.0  | 12.2                                    | 11,481                     | 4.4     | 0.1                    | 7.8                   | 1.4                                   | 33.0                  |
| More than 1,000  | *                                 | 99.9              | -3.1  | 69.8                                    | 79,058                     | 5.1     | 0.9                    | 38.5                  | 1.9                                   | 39.1                  |
| All  | 14.0                              | 76.5              | -0.9  | 100.0                                   | 1,265                      | 2.8     | 0.0                    | 100.0                 | 0.7                                   | 26.0                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 814                   | 1.2                 | 6,289             | 0.0                 | 406                | 0.0                 | 5,884                         | 0.1                 | 6.5   |
| 10-20  | 1,740                 | 2.6                 | 19,516            | 0.3                 | -44                | 0.0                 | 19,560                        | 0.4                 | -0.2  |
| 20-30  | 2,974                 | 4.4                 | 31,507            | 0.8                 | 1,175              | 0.1                 | 30,332                        | 1.0                 | 3.7   |
| 30-40  | 3,803                 | 5.6                 | 43,983            | 1.4                 | 3,430              | 0.4                 | 40,552                        | 1.7                 | 7.8   |
| 40-50  | 4,647                 | 6.9                 | 56,594            | 2.2                 | 6,111              | 0.9                 | 50,483                        | 2.6                 | 10.8  |
| 50-75  | 12,633                | 18.7                | 78,183            | 8.1                 | 10,376             | 4.3                 | 67,806                        | 9.4                 | 13.3  |
| 75-100   | 12,465                | 18.4                | 111,018           | 11.3                | 19,516             | 7.9                 | 91,502                        | 12.5                | 17.6  |
| 100-200  | 20,078                | 29.7                | 166,325           | 27.4                | 35,882             | 23.4                | 130,443                       | 28.7                | 21.6  |
| 200-500  | 6,508                 | 9.6                 | 322,451           | 17.2                | 83,508             | 17.6                | 238,942                       | 17.1                | 25.9  |
| 500-1,000  | 905                   | 1.3                 | 823,295           | 6.1                 | 260,005            | 7.6                 | 563,289                       | 5.6                 | 31.6  |
| More than 1,000  | 755                   | 1.1                 | 4,134,307         | 25.6                | 1,538,020          | 37.7                | 2,596,287                     | 21.5                | 37.2  |
| All  | 67,607                | 100.0               | 180,458           | 100.0               | 45,596             | 100.0               | 134,862                       | 100.0               | 25.3  |

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

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 75.8                              | 1.0               | 6.9   | 23.5                                    | -595                       | 75.8    | -0.4                   | -0.9                  | -7.6                                  | -17.5                 |
| 10-20  | 74.2                              | 16.0              | 4.1   | 91.2                                    | -843                       | 60.6    | -1.5                   | -3.8                  | -4.4                                  | -11.8                 |
| 20-30  | 37.2                              | 57.1              | 0.8   | 30.4                                    | -254                       | -56.1   | -0.5                   | 0.4                   | -0.8                                  | 0.6                   |
| 30-40  | 27.7                              | 68.2              | 0.1   | 3.0                                     | -26                        | -0.7    | 0.1                    | 7.2                   | -0.1                                  | 9.0                   |
| 40-50  | 31.2                              | 65.6              | 0.1   | 5.5                                     | -61                        | -0.7    | 0.1                    | 11.6                  | -0.1                                  | 14.4                  |
| 50-75  | 26.6                              | 71.4              | 0.2   | 15.3                                    | -120                       | -0.9    | 0.2                    | 26.7                  | -0.2                                  | 17.5                  |
| 75-100   | 11.3                              | 87.3              | -0.1  | -6.2                                    | 114                        | 0.5     | 0.4                    | 19.5                  | 0.1                                   | 21.2                  |
| 100-200  | 0.7                               | 97.8              | -0.2  | -8.4                                    | 239                        | 0.7     | 0.4                    | 19.6                  | 0.2                                   | 23.5                  |
| 200-500  | *                                 | 99.3              | -1.5  | -14.1                                   | 3,539                      | 3.9     | 0.3                    | 5.9                   | 1.1                                   | 28.6                  |
| 500-1,000  | 0.0                               | 96.1              | -1.5  | -4.8                                    | 8,087                      | 3.3     | 0.1                    | 2.4                   | 1.0                                   | 31.9                  |
| More than 1,000  | *                                 | 99.8              | -2.9  | -35.8                                   | 75,395                     | 5.2     | 0.7                    | 11.4                  | 1.9                                   | 38.1                  |
| All  | 36.6                              | 57.8              | 0.3   | 100.0                                   | -143                       | -1.5    | 0.0                    | 100.0                 | -0.2                                  | 15.6                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 1,499                 | 5.6                 | 7,889             | 0.8                 | -786               | -0.5                | 8,674                         | 1.0                 | -10.0                                       |
| 10-20  | 4,113                 | 15.5                | 18,975            | 5.0                 | -1,392             | -2.3                | 20,366                        | 6.4                 | -7.3  |
| 20-30  | 4,556                 | 17.1                | 31,577            | 9.2                 | 453                | 0.8                 | 31,124                        | 10.8                | 1.4   |
| 30-40  | 4,486                 | 16.9                | 43,321            | 12.5                | 3,940              | 7.2                 | 39,381                        | 13.5                | 9.1   |
| 40-50  | 3,456                 | 13.0                | 56,459            | 12.5                | 8,212              | 11.5                | 48,247                        | 12.7                | 14.5  |
| 50-75  | 4,847                 | 18.2                | 76,325            | 23.8                | 13,510             | 26.5                | 62,816                        | 23.2                | 17.7  |
| 75-100   | 2,071                 | 7.8                 | 107,677           | 14.3                | 22,727             | 19.1                | 84,950                        | 13.4                | 21.1  |
| 100-200  | 1,334                 | 5.0                 | 151,897           | 13.0                | 35,507             | 19.2                | 116,390                       | 11.9                | 23.4  |
| 200-500  | 151                   | 0.6                 | 331,123           | 3.2                 | 91,020             | 5.6                 | 240,103                       | 2.8                 | 27.5  |
| 500-1,000  | 23                    | 0.1                 | 796,525           | 1.2                 | 246,012            | 2.3                 | 550,513                       | 1.0                 | 30.9  |
| More than 1,000  | 18                    | 0.1                 | 4,032,413         | 4.7                 | 1,462,429          | 10.7                | 2,569,984                     | 3.5                 | 36.3  |
| All  | 26,613                | 100.0               | 58,504            | 100.0               | 9,282              | 100.0               | 49,222                        | 100.0               | 15.9  |

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

\* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 73.1                              | 0.4               | 6.9   | -3.4                                    | -589                       | 60.5    | -0.1                   | -0.2                  | -7.8                                  | -20.8                 |
| 10-20  | 77.1                              | 15.9              | 4.4   | -13.6                                   | -919                       | 45.9    | -0.2                   | -0.8                  | -4.8                                  | -15.3                 |
| 20-30  | 51.1                              | 44.3              | 1.3   | -6.8                                    | -401                       | 124.9   | -0.1                   | -0.2                  | -1.3                                  | -2.3                  |
| 30-40  | 46.6                              | 49.4              | 0.5   | -3.1                                    | -181                       | -5.5    | -0.1                   | 1.0                   | -0.4                                  | 7.1                   |
| 40-50  | 49.8                              | 46.8              | 0.4   | -3.3                                    | -215                       | -2.8    | -0.1                   | 2.0                   | -0.4                                  | 13.0                  |
| 50-75  | 28.1                              | 68.6              | 0.2   | -2.7                                    | -96                        | -0.8    | -0.2                   | 6.5                   | -0.1                                  | 16.4                  |
| 75-100   | 17.5                              | 80.5              | 0.0   | 0.6                                     | 24                         | 0.1     | -0.2                   | 9.0                   | 0.0                                   | 19.2                  |
| 100-200  | 11.4                              | 87.7              | -0.1  | 3.4                                     | 95                         | 0.3     | -0.4                   | 23.7                  | 0.1                                   | 22.4                  |
| 200-500  | 0.2                               | 99.5              | -1.3  | 33.3                                    | 3,029                      | 3.5     | 0.3                    | 17.7                  | 0.9                                   | 27.4                  |
| 500-1,000  | *                                 | 99.3              | -2.2  | 17.8                                    | 12,207                     | 4.7     | 0.2                    | 7.3                   | 1.5                                   | 33.3                  |
| More than 1,000  | *                                 | 99.8              | -2.6  | 77.9                                    | 66,562                     | 4.3     | 0.8                    | 34.0                  | 1.6                                   | 39.0                  |
| All  | 32.8                              | 63.3              | -0.6  | 100.0                                   | 587                        | 1.9     | 0.0                    | 100.0                 | 0.4                                   | 24.5                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 1,849                 | 3.4                 | 7,525             | 0.2                 | -974               | -0.1                | 8,499                         | 0.3                 | -13.0                                       |
| 10-20  | 4,793                 | 8.7                 | 19,056            | 1.3                 | -2,000             | -0.6                | 21,056                        | 1.8                 | -10.5                                       |
| 20-30  | 5,519                 | 10.0                | 31,519            | 2.4                 | -321               | -0.1                | 31,841                        | 3.2                 | -1.0  |
| 30-40  | 5,459                 | 9.9                 | 43,578            | 3.3                 | 3,286              | 1.0                 | 40,293                        | 4.0                 | 7.5   |
| 40-50  | 4,896                 | 8.9                 | 56,587            | 3.8                 | 7,574              | 2.1                 | 49,013                        | 4.3                 | 13.4  |
| 50-75  | 9,055                 | 16.4                | 77,791            | 9.6                 | 12,815             | 6.6                 | 64,976                        | 10.6                | 16.5  |
| 75-100   | 7,591                 | 13.8                | 110,424           | 11.5                | 21,187             | 9.2                 | 89,237                        | 12.2                | 19.2  |
| 100-200  | 11,467                | 20.8                | 164,912           | 25.9                | 36,841             | 24.1                | 128,071                       | 26.4                | 22.3  |
| 200-500  | 3,562                 | 6.5                 | 323,906           | 15.8                | 85,811             | 17.4                | 238,095                       | 15.3                | 26.5  |
| 500-1,000  | 474                   | 0.9                 | 825,274           | 5.4                 | 262,264            | 7.1                 | 563,010                       | 4.8                 | 31.8  |
| More than 1,000  | 379                   | 0.7                 | 4,106,599         | 21.3                | 1,532,820          | 33.2                | 2,573,779                     | 17.6                | 37.3  |
| All  | 55,221                | 100.0               | 132,346           | 100.0               | 31,765             | 100.0               | 100,581                       | 100.0               | 24.0  |

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 law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0133**  
**Administration's FY2014 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent Change<br>in After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |   |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 0.3                               | 0.0               | 0.0   | 0.0                                     | -1                         | -0.5    | 0.0                    | 0.0                   | 0.0                                   | 1.9                   |
| 10-20  | 0.7                               | 3.4               | 0.0   | 0.0                                     | -3                         | -1.9    | 0.0                    | 0.1                   | 0.0                                   | 0.7                   |
| 20-30  | 0.7                               | 11.3              | 0.0   | 0.0                                     | 2                          | 0.3     | 0.0                    | 0.4                   | 0.0                                   | 2.1                   |
| 30-40  | 1.5                               | 55.7              | 0.0   | 0.2                                     | 13                         | 0.6     | 0.0                    | 1.1                   | 0.0                                   | 4.6                   |
| 40-50  | 1.4                               | 75.5              | -0.1  | 0.5                                     | 36                         | 1.0     | -0.1                   | 2.1                   | 0.1                                   | 6.8                   |
| 50-75  | 2.3                               | 88.5              | -0.1  | 2.1                                     | 80                         | 1.1     | -0.2                   | 7.6                   | 0.1                                   | 9.9                   |
| 75-100   | 0.9                               | 97.0              | -0.1  | 1.8                                     | 115                        | 0.8     | -0.3                   | 9.2                   | 0.1                                   | 14.0                  |
| 100-200  | 1.3                               | 97.5              | -0.2  | 3.9                                     | 251                        | 0.9     | -0.6                   | 17.5                  | 0.2                                   | 17.7                  |
| 200-500  | *                                 | 99.5              | -0.6  | 6.2                                     | 1,502                      | 2.0     | -0.3                   | 12.5                  | 0.5                                   | 23.9                  |
| 500-1,000  | 0.3                               | 99.4              | -1.7  | 6.6                                     | 9,626                      | 3.8     | 0.0                    | 7.0                   | 1.2                                   | 32.4                  |
| More than 1,000  | 0.0                               | 99.9              | -4.7  | 78.9                                    | 117,391                    | 7.7     | 1.5                    | 42.6                  | 2.9                                   | 40.5                  |
| All  | 1.2                               | 63.8              | -1.0  | 100.0                                   | 804                        | 4.0     | 0.0                    | 100.0                 | 0.8                                   | 19.8                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2023 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2012<br>dollars) <sup>2</sup> | Tax Units             |                     | Pre-Tax Income    |                     | Federal Tax Burden |                     | After-Tax Income <sup>4</sup> |                     | Average<br>Federal Tax<br>Rate <sup>5</sup> |
|--|-----------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|---|
|  | Number<br>(thousands) | Percent of<br>Total | Average (dollars) | Percent of<br>Total | Average (dollars)  | Percent of<br>Total | Average (dollars)             | Percent of<br>Total |   |
| Less than 10   | 1,268                 | 3.0                 | 6,801             | 0.2                 | 129                | 0.0                 | 6,672                         | 0.2                 | 1.9   |
| 10-20  | 4,749                 | 11.1                | 19,343            | 2.1                 | 138                | 0.1                 | 19,205                        | 2.5                 | 0.7   |
| 20-30  | 5,504                 | 12.9                | 30,720            | 3.8                 | 632                | 0.4                 | 30,087                        | 4.6                 | 2.1   |
| 30-40  | 4,970                 | 11.6                | 43,970            | 4.9                 | 1,987              | 1.2                 | 41,983                        | 5.7                 | 4.5   |
| 40-50  | 4,951                 | 11.6                | 55,933            | 6.2                 | 3,766              | 2.2                 | 52,167                        | 7.1                 | 6.7   |
| 50-75  | 8,891                 | 20.8                | 76,944            | 15.2                | 7,531              | 7.8                 | 69,413                        | 17.0                | 9.8   |
| 75-100   | 5,276                 | 12.3                | 110,160           | 12.9                | 15,298             | 9.5                 | 94,863                        | 13.8                | 13.9  |
| 100-200  | 5,270                 | 12.3                | 166,665           | 19.6                | 29,183             | 18.0                | 137,483                       | 19.9                | 17.5  |
| 200-500  | 1,416                 | 3.3                 | 327,267           | 10.3                | 76,725             | 12.7                | 250,542                       | 9.8                 | 23.4  |
| 500-1,000  | 235                   | 0.6                 | 812,909           | 4.3                 | 253,804            | 7.0                 | 559,105                       | 3.6                 | 31.2  |
| More than 1,000  | 231                   | 0.5                 | 4,036,196         | 20.8                | 1,518,721          | 41.1                | 2,517,475                     | 16.0                | 37.6  |
| All  | 42,789                | 100.0               | 104,934           | 100.0               | 19,952             | 100.0               | 84,982                        | 100.0               | 19.0  |

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.

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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