

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

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Summary Table

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units with Tax Increase or Cut ³				Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	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					
Less than 10	36.3	-576	*	**	3.5	-8.2	-204	-3.3	1.3
10-20	31.7	-668	0.7	1,336	1.3	-16.5	-203	-1.3	1.1
20-30	20.3	-505	2.2	1,222	0.3	-5.6	-76	-0.3	4.6
30-40	18.3	-454	4.1	1,301	0.1	-1.8	-30	-0.1	7.8
40-50	18.8	-449	4.1	1,864	0.0	-0.4	-8	0.0	10.1
50-75	23.6	-545	6.2	1,912	0.0	-1.0	-11	0.0	13.6
75-100	32.6	-627	4.9	4,554	0.0	1.2	20	0.0	16.1
100-200	52.5	-635	4.0	4,112	0.1	-18.5	-171	-0.1	18.3
200-500	31.5	-397	1.0	70,599	-0.2	20.4	558	0.2	22.8
500-1,000	5.3	-1,293	42.8	9,092	-0.8	16.7	3,822	0.5	28.9
More than 1,000	2.2	-1,732	85.9	50,657	-2.0	109.1	43,480	1.3	36.6
All	30.4	-580	3.9	8,730	-0.2	100.0	164	0.2	20.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law. Proposal would: (a) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

<http://www.whitehouse.gov/the-press-office/2015/01/17/fact-sheet-simpler-fairer-tax-code-responsibly-invests-middle-class-fami>

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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Detail Table

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	36.3	*	3.5	-8.2	-204	-72.0	-0.1	0.0	-3.3	1.3
10-20	31.7	0.7	1.3	-16.5	-203	-53.4	-0.1	0.1	-1.3	1.1
20-30	20.3	2.2	0.3	-5.6	-76	-5.9	-0.1	0.8	-0.3	4.6
30-40	18.3	4.1	0.1	-1.8	-30	-1.0	0.0	1.5	-0.1	7.8
40-50	18.8	4.1	0.0	-0.4	-8	-0.2	0.0	2.0	0.0	10.1
50-75	23.6	6.2	0.0	-1.0	-11	-0.1	-0.1	7.0	0.0	13.6
75-100	32.6	4.9	0.0	1.2	20	0.1	-0.1	7.7	0.0	16.1
100-200	52.5	4.0	0.1	-18.5	-171	-0.6	-0.4	25.0	-0.1	18.3
200-500	31.5	1.0	-0.2	20.4	558	0.8	0.0	21.6	0.2	22.8
500-1,000	5.3	42.8	-0.8	16.7	3,822	1.9	0.1	7.8	0.5	28.9
More than 1,000	2.2	85.9	-2.0	109.1	43,480	3.7	0.7	26.4	1.3	36.6
All	30.4	3.9	-0.2	100.0	164	0.9	0.0	100.0	0.2	20.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016 ¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	10,764	6.5	6,190	0.4	284	0.1	5,906	0.5	4.6
10-20	21,954	13.3	16,095	2.3	379	0.3	15,715	2.8	2.4
20-30	19,661	11.9	26,361	3.3	1,298	0.8	25,062	4.0	4.9
30-40	16,011	9.7	37,032	3.8	2,931	1.5	34,101	4.4	7.9
40-50	12,822	7.8	47,606	3.9	4,821	2.0	42,785	4.4	10.1
50-75	24,605	14.9	65,365	10.3	8,881	7.0	56,485	11.1	13.6
75-100	16,308	9.9	91,774	9.6	14,716	7.7	77,058	10.1	16.0
100-200	29,194	17.7	146,327	27.4	26,977	25.3	119,350	27.9	18.4
200-500	9,885	6.0	299,793	19.0	67,818	21.6	231,975	18.4	22.6
500-1,000	1,183	0.7	713,230	5.4	202,519	7.7	510,711	4.8	28.4
More than 1,000	678	0.4	3,336,255	14.5	1,176,375	25.7	2,159,880	11.7	35.3
All	164,808	100.0	94,528	100.0	18,855	100.0	75,672	100.0	20.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

<http://www.whitehouse.gov/the-press-office/2015/01/17/fact-sheet-simpler-fairer-tax-code-responsibly-invests-middle-class-fami>

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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016¹
Detail Table - Single Tax Units

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	41.0	*	4.1	-27.8	-233	-56.0	-0.3	0.2	-3.8	3.0
10-20	36.9	0.9	1.6	-50.8	-236	-27.0	-0.6	1.4	-1.5	4.0
20-30	22.2	3.2	0.3	-11.5	-71	-3.1	-0.2	3.8	-0.3	8.5
30-40	14.8	6.2	0.0	1.5	13	0.3	0.0	5.3	0.0	11.7
40-50	11.3	6.3	-0.2	6.6	78	1.2	0.0	5.9	0.2	14.2
50-75	10.3	9.8	-0.3	22.5	162	1.4	0.1	17.2	0.3	18.0
75-100	7.9	6.3	-0.7	35.8	503	2.7	0.2	14.2	0.6	20.9
100-200	6.1	0.7	-0.4	24.2	375	1.2	0.0	21.6	0.3	23.0
200-500	1.8	1.4	-0.7	19.9	1,506	2.0	0.1	10.9	0.5	26.2
500-1,000	1.1	57.2	-1.2	10.5	6,049	2.8	0.1	4.1	0.9	31.3
More than 1,000	1.1	84.7	-2.7	61.6	57,979	4.5	0.5	14.9	1.7	39.3
All	21.8	4.1	-0.3	100.0	100	1.1	0.0	100.0	0.2	19.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	8,866	11.9	6,177	1.5	417	0.5	5,761	1.7	6.7
10-20	16,020	21.5	16,023	6.9	876	2.0	15,147	8.0	5.5
20-30	12,106	16.3	26,183	8.5	2,300	4.0	23,883	9.6	8.8
30-40	8,702	11.7	36,976	8.6	4,329	5.4	32,648	9.4	11.7
40-50	6,249	8.4	47,482	8.0	6,649	5.9	40,833	8.4	14.0
50-75	10,357	13.9	65,401	18.2	11,632	17.2	53,769	18.4	17.8
75-100	5,309	7.1	90,951	13.0	18,525	14.0	72,426	12.7	20.4
100-200	4,814	6.5	138,693	17.9	31,465	21.6	107,228	17.1	22.7
200-500	985	1.3	299,252	7.9	76,909	10.8	222,343	7.2	25.7
500-1,000	130	0.2	708,853	2.5	215,847	4.0	493,005	2.1	30.5
More than 1,000	79	0.1	3,405,735	7.2	1,280,491	14.4	2,125,243	5.6	37.6
All	74,432	100.0	50,088	100.0	9,438	100.0	40,650	100.0	18.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

<http://www.whitehouse.gov/the-press-office/2015/01/17/fact-sheet-simpler-fairer-tax-code-responsibly-invests-middle-class-fami>

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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	14.8	*	0.8	-0.2	-45	-50.4	0.0	0.0	-0.8	0.8
10-20	17.2	0.1	0.6	-0.9	-105	-464.2	0.0	0.0	-0.6	-0.5
20-30	18.2	0.3	0.3	-1.3	-90	-16.1	0.0	0.1	-0.3	1.8
30-40	20.8	1.7	0.2	-1.2	-77	-5.6	0.0	0.2	-0.2	3.5
40-50	26.1	2.2	0.2	-1.3	-80	-2.9	0.0	0.4	-0.2	5.5
50-75	35.9	3.5	0.2	-4.8	-112	-1.8	-0.1	2.5	-0.2	9.3
75-100	50.7	4.9	0.3	-8.2	-206	-1.7	-0.1	4.5	-0.2	13.0
100-200	65.5	5.0	0.2	-31.2	-291	-1.1	-0.6	25.9	-0.2	17.2
200-500	35.6	0.8	-0.2	18.3	443	0.7	-0.1	26.1	0.2	22.3
500-1,000	5.9	40.5	-0.7	17.2	3,534	1.8	0.1	9.4	0.5	28.6
More than 1,000	2.3	86.4	-1.9	111.0	40,652	3.6	0.8	30.6	1.2	36.2
All	44.3	4.7	-0.3	100.0	332	1.0	0.0	100.0	0.2	21.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016 ¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	793	1.3	5,399	0.0	89	0.0	5,310	0.1	1.7
10-20	1,809	2.9	16,592	0.3	23	0.0	16,569	0.4	0.1
20-30	3,022	4.8	26,749	0.8	557	0.1	26,192	1.0	2.1
30-40	3,252	5.2	37,230	1.2	1,393	0.2	35,837	1.4	3.7
40-50	3,501	5.6	47,869	1.6	2,715	0.4	45,154	2.0	5.7
50-75	9,022	14.3	65,781	5.8	6,222	2.6	59,560	6.7	9.5
75-100	8,297	13.2	92,667	7.5	12,248	4.6	80,419	8.3	13.2
100-200	22,351	35.5	148,912	32.4	25,920	26.5	122,992	34.0	17.4
200-500	8,625	13.7	299,844	25.2	66,481	26.2	233,362	24.9	22.2
500-1,000	1,018	1.6	713,846	7.1	200,599	9.3	513,247	6.5	28.1
More than 1,000	571	0.9	3,269,774	18.2	1,143,209	29.8	2,126,565	15.0	35.0
All	62,924	100.0	163,166	100.0	34,788	100.0	128,378	100.0	21.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	15.7	0.0	1.3	3.1	-98	12.4	-0.1	-0.6	-1.4	-12.7
10-20	18.5	0.0	0.7	15.1	-121	7.7	-0.4	-4.7	-0.8	-10.4
20-30	17.5	0.7	0.3	11.9	-89	7.1	-0.4	-4.0	-0.3	-5.0
30-40	25.1	1.6	0.3	12.1	-103	-14.1	-0.2	1.7	-0.3	1.7
40-50	27.7	2.0	0.3	10.9	-125	-4.2	-0.1	5.6	-0.3	6.0
50-75	31.3	4.0	0.4	30.9	-213	-2.8	-0.2	24.1	-0.3	11.5
75-100	29.8	3.0	0.4	20.7	-293	-2.1	0.0	21.9	-0.3	15.2
100-200	22.2	0.6	0.2	11.3	-211	-0.8	0.4	31.3	-0.2	19.3
200-500	10.8	0.2	-0.1	-0.9	144	0.2	0.3	10.3	0.1	24.1
500-1,000	7.2	46.5	-0.4	-1.3	1,881	0.9	0.1	3.2	0.3	29.2
More than 1,000	4.3	76.4	-1.5	-13.6	31,384	2.8	0.5	11.0	1.0	35.4
All	23.8	1.7	0.3	100.0	-129	-2.2	0.0	100.0	-0.2	10.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016 ¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	991	4.1	6,932	0.5	-785	-0.5	7,716	0.7	-11.3
10-20	3,911	16.1	16,165	4.9	-1,567	-4.3	17,732	6.1	-9.7
20-30	4,185	17.2	26,542	8.6	-1,243	-3.6	27,784	10.1	-4.7
30-40	3,664	15.1	36,939	10.5	731	1.9	36,208	11.6	2.0
40-50	2,738	11.3	47,547	10.1	2,981	5.7	44,566	10.6	6.3
50-75	4,543	18.7	64,562	22.7	7,621	24.3	56,940	22.6	11.8
75-100	2,217	9.1	90,547	15.6	14,072	21.9	76,476	14.8	15.5
100-200	1,672	6.9	135,775	17.6	26,369	30.9	109,406	16.0	19.4
200-500	203	0.8	295,754	4.7	71,059	10.1	224,695	4.0	24.0
500-1,000	22	0.1	699,809	1.2	202,428	3.1	497,381	1.0	28.9
More than 1,000	14	0.1	3,214,257	3.4	1,107,169	10.5	2,107,088	2.5	34.5
All	24,338	100.0	52,994	100.0	5,864	100.0	47,130	100.0	11.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would: (a) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

<http://www.whitehouse.gov/the-press-office/2015/01/17/fact-sheet-simpler-fairer-tax-code-responsibly-invests-middle-class-fami>

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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	5.6	0.0	0.6	1.3	-42	4.1	0.0	-0.1	-0.6	-16.4
10-20	9.3	*	0.4	7.1	-67	3.1	0.0	-0.8	-0.4	-13.7
20-30	12.3	0.6	0.2	8.0	-67	3.6	0.0	-0.8	-0.3	-7.2
30-40	23.5	1.8	0.3	11.6	-107	205.7	0.0	-0.1	-0.3	-0.4
40-50	27.3	2.5	0.3	10.9	-122	-5.7	0.0	0.6	-0.3	4.2
50-75	39.9	4.2	0.4	40.2	-228	-3.5	-0.1	4.0	-0.4	9.7
75-100	53.0	5.1	0.5	49.5	-369	-3.0	-0.2	5.8	-0.4	13.2
100-200	69.5	4.5	0.4	151.2	-487	-1.9	-0.4	27.4	-0.3	16.7
200-500	40.2	0.4	0.0	10.9	-96	-0.2	0.1	26.5	0.0	21.8
500-1,000	8.3	37.6	-0.2	-13.0	991	0.5	0.1	9.3	0.1	27.9
More than 1,000	3.5	82.5	-1.2	-175.4	25,288	2.3	0.7	28.1	0.8	35.8
All	39.5	3.6	0.1	100.0	-82	-0.4	0.0	100.0	-0.1	18.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016 ¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,314	2.5	6,606	0.1	-1,043	-0.1	7,649	0.2	-15.8
10-20	4,482	8.7	16,300	1.2	-2,157	-0.8	18,457	1.6	-13.2
20-30	5,071	9.8	26,480	2.1	-1,829	-0.8	28,309	2.8	-6.9
30-40	4,588	8.9	36,926	2.7	-52	0.0	36,978	3.3	-0.1
40-50	3,767	7.3	47,623	2.9	2,130	0.7	45,494	3.4	4.5
50-75	7,470	14.5	65,340	7.7	6,550	4.1	58,790	8.6	10.0
75-100	5,676	11.0	92,064	8.3	12,489	5.9	79,574	8.8	13.6
100-200	13,148	25.5	148,626	31.0	25,232	27.8	123,393	31.7	17.0
200-500	4,834	9.4	299,909	23.0	65,360	26.5	234,549	22.2	21.8
500-1,000	554	1.1	711,773	6.3	197,781	9.2	513,992	5.6	27.8
More than 1,000	294	0.6	3,175,190	14.8	1,111,551	27.3	2,063,639	11.9	35.0
All	51,650	100.0	122,065	100.0	23,105	100.0	98,959	100.0	18.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

* 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) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

<http://www.whitehouse.gov/the-press-office/2015/01/17/fact-sheet-simpler-fairer-tax-code-responsibly-invests-middle-class-fami>

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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 expanded 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 expanded cash income.

Table T15-0003
Major Individual Income Tax Provisions Outlined in President Obama's State of the Union Address
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Level (thousands of 2013 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	5.1	*	0.2	-0.1	-14	-20.9	0.0	0.0	-0.2	0.8
10-20	4.8	*	0.1	-0.4	-20	-18.9	0.0	0.1	-0.1	0.5
20-30	7.6	0.2	0.0	-0.1	-5	-0.9	0.0	0.5	0.0	2.2
30-40	8.5	0.8	-0.2	0.9	72	4.5	0.0	1.1	0.2	4.4
40-50	7.7	1.1	-0.4	2.0	182	6.4	0.0	1.8	0.4	6.3
50-75	8.6	1.0	-0.5	6.0	312	5.3	0.0	6.5	0.5	9.7
75-100	12.0	1.7	-1.0	9.9	823	7.1	0.1	8.1	0.9	13.6
100-200	18.3	2.9	-0.6	10.8	674	2.9	-0.6	20.8	0.5	16.8
200-500	7.7	2.6	-1.5	17.2	3,411	5.0	-0.2	19.8	1.1	23.9
500-1,000	0.5	51.5	-2.7	9.7	13,800	6.6	0.1	8.5	1.9	31.2
More than 1,000	0.2	92.0	-4.1	41.6	88,602	7.5	0.5	32.5	2.7	38.2
All	9.1	1.7	-1.2	100.0	840	5.7	0.0	100.0	1.0	18.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2016 ¹

Expanded Cash Income Level (thousands of 2013 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,457	3.9	6,339	0.3	65	0.0	6,274	0.4	1.0
10-20	6,526	17.3	16,345	3.4	104	0.1	16,242	4.1	0.6
20-30	5,200	13.8	26,113	4.3	590	0.6	25,523	5.1	2.3
30-40	4,042	10.7	37,177	4.7	1,581	1.2	35,596	5.5	4.3
40-50	3,424	9.1	47,594	5.1	2,826	1.8	44,767	5.9	5.9
50-75	6,060	16.0	64,902	12.4	5,953	6.5	58,949	13.6	9.2
75-100	3,810	10.1	91,972	11.1	11,639	8.0	80,334	11.7	12.7
100-200	5,100	13.5	141,706	22.8	23,129	21.4	118,577	23.1	16.3
200-500	1,597	4.2	302,486	15.2	68,857	19.9	233,628	14.2	22.8
500-1,000	222	0.6	716,118	5.0	209,788	8.4	506,330	4.3	29.3
More than 1,000	149	0.4	3,337,465	15.7	1,185,167	31.9	2,152,298	12.2	35.5
All	37,787	100.0	83,961	100.0	14,622	100.0	69,339	100.0	17.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

* 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) raise the top tax rate on long-term capital gains and qualified dividends from 20 percent to 24.2 percent; (b) tax unrealized capital gains at death (table shows the fully-phased in impact of this provision); (c) enact a credit for second earners of up to \$500; (d) expand the earned income tax credit (EITC) for childless workers; (e) expand the child and dependent care tax credit (table does not include effects of repeal of dependent care flexible spending accounts); (f) expand the American Opportunity Tax Credit (AOTC); (g) repeal the Lifetime Learning Tax Credit (table does not include the effect of provisions related to student loan forgiveness or Section 529 education savings plans); (h) enact an "auto-IRA" proposal; (i) limit the size of accumulated balances in IRA and 401(k)-type retirement accounts; and (j) repeal the deduction for student loan interest for new borrowers (table shows the fully phased in effect). Estimates in the table are based on descriptions of these proposals provided by the Administration in its fact sheet:

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