

Table T04-0069
H.R. 4181, Extension of Marriage Penalty Reform
Distribution of Tax Change by Cash Income Percentiles, 2011¹

Cash Income Class ²	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income ³	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁴	
					Current Law	Proposal
Lowest Quintile	0.8	*	0.2	-2	3.3	3.3
Second Quintile	9.5	0.2	3.7	-34	9.5	9.4
Middle Quintile	18.3	0.2	8.1	-74	16.4	16.2
Fourth Quintile	28.3	0.2	14.7	-134	21.2	21.0
Top Quintile	56.0	0.4	73.4	-670	28.1	27.8
All	22.6	0.3	100.0	-183	23.9	23.6
Addendum						
Top 10 Percent	54.9	0.3	37.7	-689	29.3	29.1
Top 5 Percent	48.3	0.2	16.7	-611	30.4	30.3
Top 1 Percent	70.6	0.1	5.6	-1,020	32.3	32.2
Top 0.5 Percent	73.0	0.1	2.9	-1,072	33.1	33.0
Top 0.1 Percent	75.1	*	0.6	-1,096	34.9	34.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-2).

* Less than 0.05 percent.

(1) Calendar year. Baseline is current law. Provisions include: increase standard deduction and width of the 15-percent bracket for married couples to twice that of singles; increase width of EITC plateau by \$3,000, indexed for inflation after 2008; allow EITC regardless of AMT liability; repeal use of modified AGI for purposes of calculating the EITC.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) 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.

(4) Average federal tax (individual income tax, net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax) as a percentage of average cash income.