

Table T04-0068
H.R. 4181, Extension of Marriage-Penalty Reform:
Distribution of Tax Change by Cash Income Class, 2011¹

Cash Income Class (thousands of 2003 dollars) ²	Tax Units ³		Percent Change in After-Tax Income ⁴	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate ⁵		
	Number (thousands)	Percent of Total				Percent with Tax Cut	Current Law	Proposal
Less than 10	20,896	13.2	0.6	*	0.1	-1	3.0	3.0
10-20	28,583	18.1	4.8	0.1	1.3	-13	6.1	6.1
20-30	21,608	13.7	14.5	0.2	4.5	-60	12.9	12.7
30-40	16,776	10.6	18.6	0.2	4.6	-78	16.5	16.3
40-50	12,408	7.9	21.4	0.2	3.0	-70	18.4	18.3
50-75	20,269	12.8	27.3	0.2	7.0	-99	21.3	21.2
75-100	12,969	8.2	47.7	0.6	21.4	-476	23.5	23.0
100-200	17,689	11.2	60.0	0.6	45.0	-733	25.9	25.4
200-500	4,805	3.0	42.3	0.2	8.7	-524	28.6	28.4
500-1,000	817	0.5	71.3	0.2	2.9	-1,034	30.1	30.0
More than 1,000	388	0.2	73.8	*	1.5	-1,080	33.9	33.9
All	157,762	100.0	22.6	0.3	100.0	-183	23.9	23.6

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 income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(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 (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.