

**Table T04-0067**  
**H.R. 4181, Extension of Marriage Penalty Reform**  
**Distribution of Tax Change by Cash Income Percentiles, 2005<sup>1</sup>**

Cash Income Class <sup>2</sup>	Percent of Tax Units with Tax Cut	Percent Change in After-Tax Income <sup>3</sup>	Percent of Total Tax Change	Average Tax Change (\$)	Average Federal Tax Rate <sup>4</sup>	
					Current Law	Proposal
Lowest Quintile	0.3	*	0.1	**	3.5	3.5
Second Quintile	5.1	*	1.5	-5	7.8	7.8
Middle Quintile	17.1	0.1	7.6	-24	14.7	14.6
Fourth Quintile	32.4	0.1	19.2	-61	19.2	19.1
Top Quintile	43.2	0.2	71.6	-229	25.3	25.2
All	19.6	0.1	100.0	-64	21.3	21.2
<b>Addendum</b>						
Top 10 Percent	38.0	0.1	31.1	-199	26.6	26.5
Top 5 Percent	27.4	0.1	11.2	-143	27.7	27.7
Top 1 Percent	43.0	*	4.0	-258	29.5	29.5
Top 0.5 Percent	58.1	*	2.8	-356	30.2	30.2
Top 0.1 Percent	67.0	*	0.6	-410	31.8	31.8

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

\* Less than 0.05 percent. \*\* Less than \$1 in absolute value.

(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.

(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.