

T04-0131
Percentage Change in After-Tax Income Among Tax Units Under
AMT Reform Options, by Cash Income Class, 2010¹

| | Cash Income Class (thousands of 2003\$) ² | | | | | | | | | |
|---|--|------|-------|-------|-------|--------|---------|---------|-----------|---------|
| | All | 0-30 | 30-40 | 40-50 | 50-75 | 75-100 | 100-200 | 200-500 | 500-1,000 | > 1,000 |
| Current Law Baseline | | | | | | | | | | |
| Plan 1: Repeal the AMT in 2005 | 1.2 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.7 | 3.6 | 1.7 | 1.0 |
| Plan 2: Extend Expiring Provisions | 0.6 | 0.0 | 0.0 | 0.1 | 0.2 | 1.0 | 1.4 | 1.1 | 0.1 | 0.0 |
| Plan 3: + Index | 0.8 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.6 | 2.2 | 0.2 | 0.0 |
| Plan 4: + Remove Middle Class Preferences | 0.9 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.7 | 2.5 | 0.3 | 0.0 |
| Plan 5: + Remove Upper Income Preferences | 1.1 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.7 | 3.3 | 1.2 | 0.6 |
| Plan 6: + Reform Rate Structure | 0.7 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.5 | 1.9 | 0.1 | 0.0 |
| Plan 7: + No Reduced Tax on Capital Income on AMT | 0.2 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.4 | 1.2 | -1.2 | -3.6 |
| Extend Tax Cuts Legislated to Expire³ | | | | | | | | | | |
| Plan 1: Repeal the AMT in 2005 | 1.2 | 0.0 | 0.0 | 0.1 | 0.3 | 1.1 | 1.8 | 3.6 | 1.7 | 1.0 |
| Plan 2: Extend Expiring Provisions | 0.6 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.4 | 1.1 | 0.1 | 0.0 |
| Plan 3: + Index | 0.8 | 0.0 | 0.0 | 0.1 | 0.3 | 1.1 | 1.7 | 2.2 | 0.2 | 0.0 |
| Plan 4: + Remove Middle Class Preferences | 0.9 | 0.0 | 0.0 | 0.1 | 0.3 | 1.1 | 1.7 | 2.5 | 0.3 | 0.0 |
| Plan 5: + Remove Upper Income Preferences | 1.1 | 0.0 | 0.0 | 0.1 | 0.3 | 1.1 | 1.7 | 3.3 | 1.2 | 0.6 |
| Plan 6: + Reform Rate Structure | 0.8 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.5 | 1.9 | 0.1 | 0.0 |
| Plan 7: + No Reduced Tax on Capital Income on AMT | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 1.0 | 1.3 | 0.8 | -1.9 | -5.0 |
| Repeal Tax Cuts from 2001-2003 | | | | | | | | | | |
| Plan 1: Repeal the AMT in 2005 | 0.4 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.4 | 0.9 | 0.8 | 0.6 |
| Plan 2: Extend Expiring Provisions | 0.2 | 0.0 | 0.0 | 0.1 | 0.2 | 0.4 | 0.3 | 0.4 | 0.0 | 0.0 |
| Plan 3: + Index | 0.2 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.4 | 0.6 | 0.1 | 0.0 |
| Plan 4: + Remove Middle Class Preferences | 0.3 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.4 | 0.6 | 0.1 | 0.0 |
| Plan 5: + Remove Upper Income Preferences | 0.3 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.4 | 0.8 | 0.4 | 0.3 |
| Plan 6: + Reform Rate Structure | 0.3 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.4 | 0.7 | 0.3 | 0.2 |
| Plan 7: + No Reduced Tax on Capital Income on AMT | -0.1 | 0.0 | 0.0 | 0.1 | 0.2 | 0.5 | 0.3 | 0.3 | -0.6 | -2.9 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-3).

(1) Calendar year. See Table 9 footnotes for a description of the reform options. 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.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.