

Table T05-0138
Repealing the Alternative Minimum Tax:
Distribution of Federal Tax Change by Cash Income Percentile, 2010 ¹

Cash Income Percentile 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
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	3.9
Second Quintile	0.0	0.0	0.0	0.1	-2	-0.1	0.1	2.7	0.0	8.7
Middle Quintile	2.6	0.0	0.0	0.4	-15	-0.2	0.4	8.4	0.0	15.3
Fourth Quintile	22.4	0.1	0.4	6.8	-245	-1.7	0.5	18.3	-0.3	19.4
Top Quintile	75.9	0.1	2.0	92.7	-3,360	-5.9	-1.0	70.0	-1.5	24.2
All	20.2	0.0	1.3	100.0	-725	-4.5	0.0	100.0	-1.0	20.9
Addendum										
Top 10 Percent	86.2	0.2	2.3	75.8	-5,494	-6.2	-1.0	54.0	-1.7	25.3
Top 5 Percent	87.8	0.2	2.4	59.4	-8,611	-6.3	-0.8	41.7	-1.8	26.0
Top 1 Percent	62.5	0.7	1.4	19.1	-13,828	-3.6	0.2	24.4	-1.0	27.8
Top 0.5 Percent	42.8	0.8	1.1	11.4	-16,518	-2.7	0.4	19.7	-0.8	28.7
Top 0.1 Percent	32.2	0.1	1.0	5.8	-42,121	-2.2	0.3	11.9	-0.7	30.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010 ¹

Cash Income Percentile ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	30,240	19.6	9,537	371	9,166	3.9	2.5	3.1	0.5	
Second Quintile	30,835	20.0	23,976	2,090	21,887	8.7	6.5	7.6	2.6	
Middle Quintile	30,835	20.0	42,047	6,467	35,580	15.4	11.4	12.4	8.0	
Fourth Quintile	30,831	20.0	72,549	14,315	58,233	19.7	19.7	20.2	17.8	
Top Quintile	30,835	20.0	221,837	57,125	164,712	25.8	60.2	57.2	71.0	
All	154,170	100.0	73,696	16,095	57,601	21.8	100.0	100.0	100.0	
Addendum										
Top 10 Percent	15,417	10.0	328,475	88,523	239,952	27.0	44.6	41.7	55.0	
Top 5 Percent	7,708	5.0	492,486	136,729	355,757	27.8	33.4	30.9	42.5	
Top 1 Percent	1,542	1.0	1,348,695	388,332	960,363	28.8	18.3	16.7	24.1	
Top 0.5 Percent	771	0.5	2,117,197	623,250	1,493,947	29.4	14.4	13.0	19.4	
Top 0.1 Percent	154	0.1	6,060,561	1,877,979	4,182,582	31.0	8.2	7.3	11.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3a).

(1) Baseline is current law.

(2) Tax units with negative cash income are excluded from the lowest quintile 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 (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.