

Table T05-0139
Repealing the Alternative Minimum Tax and the State and Local Tax Deduction:
Distribution of Federal Tax Change by Cash Income Class, 2005 ¹

Cash Income Class (thousands of 2005 dollars) 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
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.6
10-20	0.0	1.9	0.0	0.1	3	0.4	0.0	1.0	0.0	4.8
20-30	0.0	7.1	-0.1	0.5	13	0.5	-0.1	2.7	0.1	10.1
30-40	0.0	15.5	-0.1	1.2	42	0.8	-0.1	4.2	0.1	14.5
40-50	0.1	28.2	-0.3	2.4	113	1.5	-0.1	4.8	0.3	17.0
50-75	0.3	43.1	-0.5	9.9	260	2.3	-0.1	12.9	0.4	18.9
75-100	0.6	65.6	-0.8	11.9	544	3.2	0.0	11.4	0.6	20.7
100-200	2.0	81.4	-1.3	36.1	1,361	4.6	0.4	24.0	1.0	23.3
200-500	10.6	82.9	-1.0	15.5	2,220	3.1	0.0	15.3	0.8	26.1
500-1,000	14.6	77.6	-1.1	6.6	5,606	3.0	0.0	6.5	0.8	28.0
More than 1,000	13.7	79.1	-1.3	15.8	25,722	2.8	0.0	17.0	0.9	32.1
All	0.7	27.7	-0.8	100.0	377	3.0	0.0	100.0	0.6	21.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2005 ¹

Cash Income Class (thousands of 2005 dollars) 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	19,560	13.5	5,618	200	5,418	3.6	1.3	1.5	0.2
10-20	25,611	17.7	14,885	706	14,179	4.8	4.4	5.2	1.0
20-30	19,953	13.8	24,715	2,488	22,227	10.1	5.6	6.4	2.7
30-40	15,289	10.6	34,863	5,023	29,840	14.4	6.1	6.6	4.2
40-50	11,738	8.1	44,824	7,502	37,322	16.7	6.0	6.3	4.9
50-75	20,700	14.3	61,482	11,338	50,144	18.4	14.5	15.0	12.9
75-100	11,936	8.3	86,246	17,266	68,980	20.0	11.8	11.9	11.4
100-200	14,432	10.0	133,489	29,753	103,736	22.3	22.0	21.6	23.7
200-500	3,797	2.6	287,471	72,871	214,600	25.4	12.5	11.7	15.3
500-1,000	642	0.4	678,426	184,540	493,886	27.2	5.0	4.6	6.5
More than 1,000	335	0.2	2,943,745	919,582	2,024,163	31.2	11.3	9.8	17.0
All	144,573	100.0	60,566	12,546	48,020	20.7	100.0	100.0	100.0

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 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 (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.