

Table T05-0141
Repealing the Alternative Minimum Tax and the State and Local Tax Deduction:
Distribution of Federal Tax Change by Cash Income Class, 2010 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	4.2
10-20	0.4	1.3	0.0	-0.3	2	0.2	0.0	0.8	0.0	5.0
20-30	1.1	5.8	0.0	-1.6	11	0.4	0.0	2.5	0.0	10.4
30-40	3.1	12.6	-0.1	-3.2	29	0.5	0.0	3.7	0.1	14.5
40-50	6.8	22.2	-0.1	-4.9	57	0.7	0.1	4.5	0.1	17.1
50-75	17.0	36.3	-0.2	-13.7	92	0.7	0.2	12.1	0.1	19.5
75-100	40.6	46.5	0.3	18.3	-197	-1.0	0.0	11.3	-0.2	20.9
100-200	54.0	41.5	0.5	69.9	-579	-1.6	-0.3	25.8	-0.4	23.6
200-500	81.9	16.2	1.6	122.8	-3,765	-4.4	-0.6	16.0	-1.2	25.5
500-1,000	31.5	63.8	-0.4	-12.4	2,342	1.2	0.1	6.5	0.3	26.7
More than 1,000	22.9	71.6	-1.2	-75.3	27,565	2.9	0.6	16.5	0.9	31.0
All	16.4	19.6	0.2	100.0	-97	-0.6	0.0	100.0	-0.1	21.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2010 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	17,298	11.2	6,190	257	5,933	4.2	0.9	1.2	0.2
10-20	24,828	16.1	16,653	830	15,823	5.0	3.6	4.4	0.8
20-30	21,679	14.1	27,490	2,836	24,655	10.3	5.3	6.0	2.5
30-40	16,440	10.7	38,628	5,579	33,050	14.4	5.6	6.1	3.7
40-50	12,893	8.4	49,638	8,453	41,185	17.0	5.6	6.0	4.4
50-75	22,442	14.6	68,192	13,213	54,979	19.4	13.5	13.9	12.0
75-100	13,870	9.0	95,865	20,234	75,632	21.1	11.7	11.8	11.3
100-200	18,051	11.7	149,322	35,879	113,443	24.0	23.7	23.1	26.1
200-500	4,875	3.2	317,752	84,854	232,898	26.7	13.6	12.8	16.7
500-1,000	794	0.5	752,123	198,733	553,391	26.4	5.3	5.0	6.4
More than 1,000	408	0.3	3,203,897	965,941	2,237,957	30.2	11.5	10.3	15.9
All	154,170	100.0	73,696	16,095	57,601	21.8	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.