

Table T05-0142
Repealing the Alternative Minimum Tax and the State and Local Tax Deduction:
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	0.1	0.4	0.0	-0.1	0	0.1	0.0	0.5	0.0	3.9
Second Quintile	0.9	3.9	0.0	-1.4	7	0.3	0.0	2.6	0.0	8.7
Middle Quintile	4.2	15.8	-0.1	-7.9	38	0.6	0.1	8.1	0.1	15.5
Fourth Quintile	21.3	38.3	-0.1	-9.0	44	0.3	0.2	18.0	0.1	19.8
Top Quintile	55.4	39.5	0.4	117.9	-572	-1.0	-0.3	70.7	-0.3	25.5
All	16.4	19.6	0.2	100.0	-97	-0.6	0.0	100.0	-0.1	21.7
Addendum										
Top 10 Percent	62.8	34.3	0.3	82.3	-798	-0.9	-0.2	54.8	-0.2	26.7
Top 5 Percent	70.9	26.8	0.3	52.2	-1,012	-0.7	-0.1	42.4	-0.2	27.6
Top 1 Percent	34.4	60.8	-0.8	-80.6	7,811	2.0	0.6	24.8	0.6	29.4
Top 0.5 Percent	25.0	69.6	-1.1	-88.1	17,082	2.7	0.7	20.0	0.8	30.3
Top 0.1 Percent	21.1	73.9	-1.3	-54.4	52,788	2.8	0.4	12.1	0.9	31.9

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	2,089	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	14,316	58,233	19.7	19.7	20.2	17.8
Top Quintile	30,835	20.0	221,837	57,125	164,711	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	88,524	239,951	27.0	44.6	41.7	55.0
Top 5 Percent	7,708	5.0	492,486	136,731	355,755	27.8	33.4	30.9	42.5
Top 1 Percent	1,542	1.0	1,348,695	388,342	960,353	28.8	18.3	16.7	24.1
Top 0.5 Percent	771	0.5	2,117,197	623,269	1,493,928	29.4	14.4	13.0	19.4
Top 0.1 Percent	154	0.1	6,060,561	1,878,018	4,182,544	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.