

**Table T05-0281**  
**Effect of Extending AMT Provisions:**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2006<sup>1</sup>**

Cash Income Percentile <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	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	0.4	0.0	3.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.3	0.0	7.5
Middle Quintile	0.6	0.0	0.0	0.3	-3	-0.1	0.1	7.9	0.0	14.4
Fourth Quintile	7.5	0.0	0.1	5.3	-54	-0.5	0.2	17.7	-0.1	18.5
Top Quintile	56.0	0.4	0.7	94.4	-946	-2.0	-0.4	71.5	-0.5	24.6
All	12.8	0.1	0.4	100.0	-200	-1.5	0.0	100.0	-0.3	20.7
<b>Addendum</b>										
Top 10 Percent	69.2	0.6	0.7	70.9	-1,421	-1.9	-0.2	56.0	-0.5	26.0
Top 5 Percent	71.6	1.0	0.6	44.6	-1,787	-1.5	0.0	43.9	-0.4	27.1
Top 1 Percent	23.8	0.8	0.1	2.4	-481	-0.1	0.4	26.0	0.0	29.2
Top 0.5 Percent	8.6	0.5	0.0	0.4	-148	0.0	0.3	21.0	0.0	30.0
Top 0.1 Percent	2.6	1.0	0.0	0.0	-49	0.0	0.2	12.7	0.0	31.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2006<sup>1</sup>**

Cash Income Percentile <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	28,703	19.6	7,923	265	7,659	3.3	2.5	3.0	0.4
Second Quintile	29,289	20.0	20,116	1,513	18,603	7.5	6.4	7.5	2.3
Middle Quintile	29,279	20.0	35,940	5,180	30,761	14.4	11.4	12.4	7.7
Fourth Quintile	29,283	20.0	62,270	11,614	50,656	18.7	19.8	20.5	17.3
Top Quintile	29,282	20.0	189,863	48,401	141,462	25.5	60.3	57.1	72.1
All	146,417	100.0	62,970	13,418	49,552	21.3	100.0	100.0	100.0
<b>Addendum</b>									
Top 10 Percent	14,642	10.0	281,205	75,989	205,216	27.0	44.7	41.4	56.6
Top 5 Percent	7,323	5.0	421,832	119,075	302,757	28.2	33.5	30.6	44.4
Top 1 Percent	1,464	1.0	1,159,675	351,130	808,546	30.3	18.4	16.3	26.2
Top 0.5 Percent	732	0.5	1,825,082	567,752	1,257,330	31.1	14.5	12.7	21.2
Top 0.1 Percent	146	0.1	5,274,153	1,734,728	3,539,426	32.9	8.4	7.1	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3A), revised May 10, 2006 (baseline distribution updated).

(1) Calendar year. Baseline is current law. Provisions include extending the AMT treatment of personal non-refundable credits; maintain 2005 AMT exemption levels (\$58,000 for married filing jointly and \$40,250 for others).

(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.