

Table T05-0304
Make EGTRRA, JGTRRA, and WFTRA Permanent With Extension of 2005 AMT Relief, Indexed for Inflation
Baseline is Current Law With Extension of 2000 AMT Exemption, Indexed for Inflation After 2000
Distribution of Federal Tax Change by Cash Income Percentile, 2015 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	25.2	0.5	0.6	0.6	-69	-12.7	0.0	0.5	-0.6	4.1
Second Quintile	73.9	0.2	2.1	4.6	-544	-16.8	-0.2	2.9	-1.9	9.3
Middle Quintile	86.9	0.1	2.1	7.4	-870	-10.0	0.1	8.3	-1.7	15.6
Fourth Quintile	97.5	0.0	2.4	13.6	-1,617	-8.6	0.5	18.1	-1.9	19.7
Top Quintile	99.4	0.0	4.5	73.5	-8,712	-11.6	-0.4	70.2	-3.3	24.9
All	76.5	0.2	3.5	100.0	-2,370	-11.1	0.0	100.0	-2.7	21.4
Addendum										
Top 10 Percent	99.5	0.0	4.9	57.9	-13,711	-11.8	-0.4	54.1	-3.5	25.9
Top 5 Percent	99.4	0.1	5.2	45.6	-21,602	-12.1	-0.4	41.7	-3.7	26.6
Top 1 Percent	99.0	0.1	6.5	30.1	-71,420	-13.8	-0.7	23.5	-4.4	27.5
Top 0.5 Percent	99.0	0.2	6.9	25.0	-118,523	-14.3	-0.7	18.8	-4.7	28.0
Top 0.1 Percent	99.3	0.1	7.4	14.8	-351,321	-14.2	-0.4	11.2	-4.9	29.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2015 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	32,037	19.6	11,594	545	11,049	4.7	2.6	3.2	0.5	
Second Quintile	32,634	20.0	28,979	3,237	25,742	11.2	6.5	7.7	3.0	
Middle Quintile	32,634	20.0	50,115	8,699	41,416	17.4	11.3	12.3	8.2	
Fourth Quintile	32,628	20.0	86,642	18,724	67,918	21.6	19.6	20.2	17.6	
Top Quintile	32,633	20.0	267,246	75,125	192,121	28.1	60.3	57.1	70.6	
All	163,160	100.0	88,578	21,296	67,282	24.0	100.0	100.0	100.0	
Addendum										
Top 10 Percent	16,316	10.0	395,730	116,095	279,635	29.3	44.7	41.6	54.5	
Top 5 Percent	8,162	5.0	592,468	179,250	413,218	30.3	33.5	30.7	42.1	
Top 1 Percent	1,632	1.0	1,618,465	516,125	1,102,340	31.9	18.3	16.4	24.2	
Top 0.5 Percent	816	0.5	2,538,582	828,539	1,710,043	32.6	14.3	12.7	19.5	
Top 0.1 Percent	163	0.1	7,244,911	2,467,297	4,777,614	34.1	8.2	7.1	11.6	

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

Number of AMT Taxpayers (millions). Baseline: 6.7 Proposal: 8.7

(1) Calendar year. Baseline is current law plus extension of 2000 AMT exemption levels (\$45,000 for married couples and \$33,750 for singles and heads of household), indexed for inflation after 2000; and allowance of personal non-refundable credits regardless of tentative AMT. Provisions include extending provisions in EGTRRA, JGTRRA, and WFTRA affecting the following: marginal tax rates; the 10-percent bracket; the child tax credit; the child and dependent care credit; the standard deduction, 15-percent bracket, and EITC for married couples; tax rates on long-term capital gains and dividends; pension and IRA provisions (excludes the saver's credit); expansion of student loan interest deduction (excludes other education provisions); and estate tax exemption, rates, and state death tax credit. Provisions also include extending the 2005 AMT exemption levels (\$58,000 for married couples and \$40,250 for singles and heads of household), indexed for inflation after 2005; and allowance of personal non-refundable credits regardless of tentative AMT.

(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.