

Table T06-0033
Combined Effect of EGTRRA, JGTRRA, and WFTRA With Extension of 2005 AMT Relief, Indexed for Inflation
Baseline is Pre-EGTRRA Law
Distribution of Federal Tax Change by Cash Income Class, 2006 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	4.4	0.1	0.1	0.0	-5	-2.1	0.0	0.2	-0.1	3.8
10-20	49.2	0.5	1.3	2.1	-183	-20.3	-0.1	1.0	-1.2	4.7
20-30	79.6	0.2	2.5	5.0	-561	-18.2	-0.3	2.7	-2.2	10.0
30-40	87.8	0.1	2.5	5.1	-747	-12.8	-0.1	4.1	-2.1	14.4
40-50	94.3	0.1	2.4	4.6	-877	-10.3	0.0	4.8	-1.9	16.7
50-75	98.1	0.0	2.4	11.3	-1,215	-9.5	0.2	12.8	-1.9	18.5
75-100	99.2	0.0	3.0	11.3	-2,063	-10.5	0.0	11.5	-2.4	20.0
100-200	99.6	0.0	3.7	24.9	-3,736	-11.0	-0.1	24.2	-2.7	22.3
200-500	99.4	0.1	3.4	12.7	-7,249	-9.0	0.3	15.4	-2.5	25.2
500-1,000	98.8	0.2	4.3	6.1	-20,633	-10.0	0.1	6.5	-3.0	26.9
More than 1,000	99.1	0.2	5.7	16.9	-111,549	-10.8	0.0	16.7	-3.7	30.8
All	73.5	0.1	3.2	100.0	-1,554	-10.7	0.0	100.0	-2.5	20.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2006 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					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	18,886	12.9	5,743	222	5,522	3.9	1.2	1.5	0.2
10-20	25,413	17.4	15,208	905	14,303	6.0	4.2	5.1	1.1
20-30	20,374	13.9	25,206	3,082	22,125	12.2	5.6	6.4	2.9
30-40	15,429	10.5	35,525	5,852	29,672	16.5	5.9	6.5	4.2
40-50	11,963	8.2	45,636	8,496	37,140	18.6	5.9	6.3	4.8
50-75	21,121	14.4	62,649	12,795	49,853	20.4	14.4	14.9	12.7
75-100	12,455	8.5	87,930	19,622	68,308	22.3	11.9	12.0	11.4
100-200	15,196	10.4	136,287	34,127	102,160	25.0	22.5	21.9	24.3
200-500	3,988	2.7	292,415	81,034	211,381	27.7	12.7	11.9	15.1
500-1,000	668	0.5	690,594	206,265	484,328	29.9	5.0	4.6	6.5
More than 1,000	345	0.2	2,994,463	1,033,274	1,961,189	34.5	11.2	9.6	16.7
All	146,417	100.0	62,970	14,589	48,380	23.2	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 7.6 Proposal: 4.0

(1) Calendar year. Baseline is pre-EGTRRA law. Proposal includes 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; 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 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.