

Table T06-0038
Combined Effect of EGTRRA, JGTRRA, and WFTRA With Extension of 2005 AMT Relief, Indexed for Inflation
Baseline is Pre-EGTRRA Law With Extension of 2000 AMT Exemption, Indexed for Inflation After 2000
Distribution of Federal Tax Change by Cash Income Class, 2007¹

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	-2.2	0.0	0.2	-0.1	3.9
10-20	50.3	0.5	1.3	2.1	-190	-20.3	-0.1	0.9	-1.2	4.8
20-30	79.6	0.3	2.5	5.0	-558	-17.7	-0.2	2.6	-2.2	10.1
30-40	87.6	0.1	2.5	5.1	-748	-12.6	-0.1	4.0	-2.1	14.4
40-50	94.1	0.1	2.3	4.6	-861	-9.9	0.0	4.7	-1.9	16.8
50-75	98.0	0.0	2.3	10.9	-1,176	-9.0	0.2	12.6	-1.8	18.6
75-100	99.2	0.0	2.8	10.7	-1,928	-9.7	0.1	11.4	-2.2	20.0
100-200	99.5	0.0	3.4	24.7	-3,576	-10.3	0.0	24.6	-2.6	22.4
200-500	99.4	0.1	3.2	12.7	-6,989	-8.5	0.3	15.7	-2.3	25.3
500-1,000	98.8	0.2	4.3	6.4	-21,130	-10.1	0.0	6.5	-3.0	26.8
More than 1,000	99.1	0.2	5.7	17.8	-114,140	-10.9	-0.1	16.6	-3.7	30.4
All	74.3	0.2	3.1	100.0	-1,562	-10.2	0.0	100.0	-2.4	20.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2007¹

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	18,336	12.4	5,875	231	5,644	3.9	1.1	1.4	0.2
10-20	25,141	17.0	15,558	934	14,624	6.0	4.0	4.9	1.0
20-30	20,692	14.0	25,732	3,145	22,587	12.2	5.5	6.2	2.9
30-40	15,679	10.6	36,235	5,947	30,288	16.4	5.8	6.3	4.1
40-50	12,242	8.3	46,569	8,669	37,900	18.6	5.9	6.2	4.7
50-75	21,460	14.5	63,972	13,080	50,892	20.5	14.1	14.6	12.4
75-100	12,836	8.7	89,802	19,903	69,899	22.2	11.8	12.0	11.3
100-200	15,976	10.8	139,382	34,755	104,627	24.9	22.9	22.3	24.6
200-500	4,220	2.9	298,369	82,457	215,913	27.6	12.9	12.2	15.4
500-1,000	700	0.5	706,013	210,152	495,862	29.8	5.1	4.6	6.5
More than 1,000	362	0.2	3,053,799	1,042,869	2,010,930	34.2	11.3	9.7	16.7
All	148,223	100.0	65,748	15,245	50,503	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: 1.9 Proposal: 4.4

(1) Calendar year. Baseline is pre-EGTRRA 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. 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; allowance of personal non-refundable credits regardless of tentative AMT; and extending the non-refundable credit for elective deferrals and IRA contributions (the "saver's credit").

(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.