

**Table T06-0052**  
**Partial Repeal of the Personal Exemption Phaseout (PEP) and the Limitation on Itemized Deductions (Pease)**  
**Distribution of Federal Tax Change by Cash Income Class, 2006<sup>1</sup>**

Cash Income Class (thousands of 2005 dollars) <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
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	4.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	10.0
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	4.1	0.0	14.4
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	4.7	0.0	16.7
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	12.7	0.0	18.6
75-100	0.1	0.0	0.0	0.0	0	0.0	0.0	11.5	0.0	20.3
100-200	1.8	0.0	0.0	0.5	-1	0.0	0.0	24.6	0.0	23.1
200-500	10.5	0.1	0.0	7.9	-63	-0.1	0.0	15.7	0.0	26.1
500-1,000	51.9	0.1	0.3	27.6	-1,307	-0.7	0.0	6.4	-0.2	26.9
More than 1,000	72.1	0.1	0.3	64.0	-5,859	-0.6	-0.1	16.4	-0.2	30.8
All	0.9	0.0	0.0	100.0	-22	-0.2	0.0	100.0	0.0	21.0

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

Cash Income Class (thousands of 2005 dollars) <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-	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	217	5,527	3.8	1.2	1.4	0.2
10-20	25,413	17.4	15,208	721	14,487	4.7	4.2	5.1	0.9
20-30	20,374	13.9	25,206	2,521	22,686	10.0	5.6	6.4	2.6
30-40	15,429	10.5	35,525	5,106	30,418	14.4	5.9	6.5	4.1
40-50	11,963	8.2	45,636	7,630	38,007	16.7	5.9	6.3	4.7
50-75	21,121	14.4	62,649	11,628	51,021	18.6	14.4	14.8	12.6
75-100	12,455	8.5	87,930	17,852	70,078	20.3	11.9	12.0	11.5
100-200	15,196	10.4	136,287	31,432	104,854	23.1	22.5	21.9	24.6
200-500	3,988	2.7	292,415	76,325	216,090	26.1	12.7	11.8	15.7
500-1,000	668	0.5	690,594	187,259	503,335	27.1	5.0	4.6	6.4
More than 1,000	345	0.2	2,994,463	927,697	2,066,766	31.0	11.2	9.8	16.5
All	146,417	100.0	62,970	13,266	49,703	21.1	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 18.8 Proposal: 18.9

(1) Calendar year. Provision reduces PEP and Pease by 1/3 of their current-law values. Baseline is current law without this provision.

(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.