

Table T06-0068
Impose \$50,000 Limit on Individual Income Tax Cuts in
EGTRRA, JGTRRA, and WFTRA With Extension of 2005 AMT Relief, Indexed for Inflation
Distribution of Federal Tax Change by Cash Income Class, 2011¹

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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	4.2
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	4.8
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	2.4	0.0	10.0
30-40	0.0	0.0	0.0	0.0	0	0.0	-0.1	3.7	0.0	14.1
40-50	0.0	0.0	0.0	0.0	0	0.0	-0.1	4.4	0.0	16.7
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.2	11.8	0.0	19.0
75-100	0.0	0.0	0.0	0.0	0	0.0	-0.2	11.0	0.0	20.2
100-200	0.0	0.0	0.0	0.0	0	0.0	-0.4	25.4	0.0	22.6
200-500	0.0	0.0	0.0	0.0	0	0.0	-0.2	16.6	0.0	25.2
500-1,000	0.0	1.5	0.0	0.2	79	0.0	-0.1	6.4	0.0	25.8
More than 1,000	0.0	71.2	-3.6	99.8	84,607	8.9	1.2	17.1	2.6	31.5
All	0.0	0.2	-0.4	100.0	230	1.4	0.0	100.0	0.3	21.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2011¹

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					Pre-Tax Income Percent of Total	Post-Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	17,076	10.9	6,303	265	6,038	4.2	0.9	1.1	0.2
10-20	24,604	15.8	17,000	819	16,181	4.8	3.5	4.2	0.8
20-30	22,025	14.1	28,090	2,814	25,276	10.0	5.2	5.9	2.5
30-40	16,710	10.7	39,487	5,583	33,904	14.1	5.5	6.0	3.7
40-50	13,168	8.4	50,814	8,505	42,309	16.7	5.6	5.9	4.5
50-75	22,575	14.5	69,796	13,287	56,509	19.0	13.2	13.5	12.0
75-100	14,102	9.0	98,049	19,841	78,208	20.2	11.6	11.7	11.2
100-200	18,722	12.0	152,864	34,566	118,298	22.6	24.0	23.5	25.8
200-500	5,166	3.3	324,098	81,677	242,421	25.2	14.0	13.3	16.8
500-1,000	825	0.5	769,080	198,437	570,643	25.8	5.3	5.0	6.5
More than 1,000	423	0.3	3,274,032	946,276	2,327,756	28.9	11.6	10.4	15.9
All	155,984	100.0	76,577	16,078	60,499	21.0	100.0	100.0	100.0

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

(1) Calendar year. Baseline is extended law with the extension of 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"). Proposal includes extending but limiting the individual income tax cuts due to the following provisions in EGTRRA, JGTRRA, and WFTRA to \$50,000 (indexed for inflation after 2007): 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). The effect of these provisions is measured against a current-law baseline with the extension of the 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.

(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.