

**Table T06-0109**  
**Reported Baucus Estate Tax Compromise -- Extremely Preliminary**  
**Distribution of Federal Tax Change by Economic Income Class, 2007 <sup>1</sup>**

Economic 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	2.9
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	1.8	0.0	5.9
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	5.1	0.0	12.3
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	7.2	0.0	15.8
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	7.9	0.0	18.2
50-75	0.0	0.0	0.0	0.1	0	0.0	0.1	16.9	0.0	19.8
75-100	0.0	0.0	0.0	0.5	-7	0.0	0.1	11.0	0.0	21.1
100-200	0.0	0.0	0.0	4.9	-64	-0.2	0.1	17.8	0.0	21.4
200-500	0.3	0.0	0.4	30.8	-1,284	-1.3	-0.1	12.4	-0.3	21.5
500-1,000	0.7	0.0	0.8	25.3	-5,855	-2.4	-0.1	5.6	-0.6	23.2
More than 1,000	0.9	0.0	0.5	38.1	-16,038	-1.5	-0.1	13.9	-0.3	23.2
All	0.0	0.0	0.1	100.0	-75	-0.5	0.0	100.0	-0.1	18.9

**Baseline Distribution of Income and Federal Taxes**  
**by Economic Income Class, 2007 <sup>1</sup>**

Economic 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-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
Less than 10	20,664	13.9	7,762	225	7,537	2.9	1.5	1.8	0.2
10-20	29,818	20.1	21,009	1,239	19,770	5.9	5.8	6.7	1.8
20-30	24,385	16.5	34,788	4,288	30,500	12.3	7.8	8.4	5.1
30-40	18,664	12.6	50,310	7,945	42,365	15.8	8.6	9.0	7.2
40-50	13,773	9.3	65,046	11,827	53,219	18.2	8.2	8.3	7.9
50-75	19,616	13.2	89,135	17,686	71,449	19.8	16.0	15.9	16.8
75-100	8,394	5.7	127,537	26,902	100,635	21.1	9.8	9.6	10.9
100-200	8,562	5.8	200,246	42,843	157,403	21.4	15.7	15.3	17.7
200-500	2,685	1.8	440,013	95,870	344,143	21.8	10.8	10.5	12.5
500-1,000	483	0.3	1,026,120	243,589	782,532	23.7	4.6	4.3	5.7
More than 1,000	265	0.2	4,652,578	1,095,200	3,557,378	23.5	11.3	10.7	14.1
All	148,223	100.0	73,524	13,952	59,572	19.0	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. Provisions include: \$3.5 million effective exemption; statutory rate of 15 percent on taxable estate up to \$5 million, 25 percent on taxable estate between \$5 million and \$10 million, 35 percent on taxable estate greater than \$10 million.

(2) Tax units with negative economic income are excluded from the lowest income class but are included in the totals. For classifier purposes, economic income has been adjusted for family size by dividing by the square root of the number of members of the tax unit. For a further description of economic 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.