

Table T06-0135
Kyl Estate Tax Compromise
Distribution of Federal Tax Change by Economic Income Class, 2011 ¹

Economic 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	0.3	0.0	5.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.1	0.0	8.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.1	5.0	0.0	14.6
30-40	0.0	0.0	0.0	0.0	-1	0.0	0.1	6.6	0.0	17.6
40-50	0.0	0.0	0.0	0.1	-1	0.0	0.1	7.3	0.0	20.3
50-75	0.0	0.0	0.0	0.7	-12	-0.1	0.2	16.1	0.0	22.1
75-100	0.0	0.0	0.1	2.2	-78	-0.2	0.1	11.2	-0.1	23.3
100-200	0.1	0.0	0.4	18.4	-611	-1.2	0.0	18.8	-0.3	23.1
200-500	0.4	0.0	1.0	33.8	-3,587	-3.2	-0.3	12.7	-0.8	23.1
500-1,000	0.7	0.0	1.4	18.3	-11,214	-3.8	-0.2	5.7	-1.0	25.4
More than 1,000	1.0	0.0	0.8	26.3	-29,479	-2.3	-0.2	14.0	-0.6	25.3
All	0.0	0.0	0.3	100.0	-222	-1.2	0.0	100.0	-0.3	21.2

Baseline Distribution of Income and Federal Taxes
by Economic Income Class, 2011 ¹

Economic 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-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	19,892	12.8	8,391	466	7,924	5.6	1.3	1.5	0.3
10-20	29,710	19.1	22,969	1,996	20,973	8.7	5.1	6.0	2.1
20-30	25,713	16.5	37,580	5,480	32,100	14.6	7.3	7.9	5.0
30-40	19,488	12.5	54,174	9,539	44,635	17.6	8.0	8.3	6.5
40-50	14,654	9.4	69,398	14,055	55,343	20.3	7.7	7.8	7.2
50-75	21,240	13.6	96,219	21,282	74,937	22.1	15.4	15.3	15.9
75-100	9,751	6.3	138,307	32,256	106,052	23.3	10.2	9.9	11.1
100-200	10,453	6.7	218,417	51,107	167,309	23.4	17.2	16.8	18.8
200-500	3,261	2.1	474,020	112,860	361,160	23.8	11.7	11.3	12.9
500-1,000	565	0.4	1,111,260	293,658	817,602	26.4	4.7	4.4	5.8
More than 1,000	309	0.2	5,045,581	1,308,205	3,737,376	25.9	11.7	11.1	14.2
All	155,984	100.0	85,093	18,250	66,843	21.5	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: \$5 million effective exemption; statutory rate of 15 percent from \$5 million to \$30 million, 30 percent above \$30 million; replace the state death tax credit with a deduction for state estate taxes paid; and repeal the 5-percent surtax.

(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.