

Table T06-0167

**H.R. 5638, The Permanent Estate Tax Relief Act of 2006: Assuming 15 Percent Capital Gains Rate
Distribution of Federal Tax Change by Economic Income Class, 2011¹**

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	5.5
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.1	0.0	8.6
20-30	0.0	0.0	0.0	0.0	0	0.0	0.1	5.1	0.0	14.5
30-40	0.0	0.0	0.0	0.0	-1	0.0	0.1	6.7	0.0	17.5
40-50	0.0	0.0	0.0	0.1	-1	0.0	0.1	7.4	0.0	20.2
50-75	0.0	0.0	0.0	0.7	-12	-0.1	0.2	16.2	0.0	22.0
75-100	0.0	0.0	0.1	2.2	-78	-0.2	0.1	11.2	-0.1	23.2
100-200	0.1	0.0	0.4	18.9	-611	-1.2	0.0	18.8	-0.3	22.9
200-500	0.4	0.0	1.0	34.5	-3,572	-3.2	-0.3	12.6	-0.8	22.7
500-1,000	0.7	0.0	1.3	18.5	-11,026	-3.8	-0.2	5.6	-1.0	24.9
More than 1,000	1.0	0.0	0.7	24.8	-27,122	-2.2	-0.1	13.7	-0.5	24.5
All	0.0	0.0	0.3	100.0	-216	-1.2	0.0	100.0	-0.3	20.9

**Baseline Distribution of Income and Federal Taxes
by Economic Income Class, 2011¹**

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 Total	Share of Post-Tax Income Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	19,892	12.8	8,391	460	7,931	5.5	1.3	1.5	0.3
10-20	29,710	19.1	22,969	1,984	20,985	8.6	5.1	6.0	2.1
20-30	25,713	16.5	37,580	5,457	32,123	14.5	7.3	7.9	5.0
30-40	19,488	12.5	54,174	9,494	44,680	17.5	8.0	8.3	6.6
40-50	14,654	9.4	69,398	13,996	55,402	20.2	7.7	7.8	7.3
50-75	21,240	13.6	96,219	21,185	75,034	22.0	15.4	15.2	16.0
75-100	9,751	6.3	138,307	32,089	106,218	23.2	10.2	9.9	11.1
100-200	10,453	6.7	218,417	50,669	167,748	23.2	17.2	16.8	18.8
200-500	3,261	2.1	474,020	111,027	362,993	23.4	11.7	11.3	12.9
500-1,000	565	0.4	1,111,260	287,235	824,025	25.9	4.7	4.5	5.8
More than 1,000	309	0.2	5,045,581	1,263,500	3,782,081	25.0	11.7	11.2	13.9
All	155,984	100.0	85,093	18,028	67,065	21.2	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law plus the extension of the lower rates on capital gains and qualifying dividends enacted by JGTRRA. Provisions include: \$5 million effective exemption; statutory rate of 15 percent on taxable estate between \$5 million and \$25 million and 30 percent on taxable estate greater than \$25 million; repeal the state death tax credit (and do not allow a deduction for state estate taxes paid); 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.