

Table T09-0103
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Summary Table

Cash Income Level (thousands of 2008 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	61.2	0.0	3.4	5.6	-182	-3.2	1.3
10-20	62.7	0.0	1.9	11.7	-272	-1.8	2.3
20-30	77.7	0.0	1.6	12.4	-357	-1.4	7.7
30-40	84.6	0.0	1.3	10.2	-400	-1.1	12.1
40-50	86.6	0.0	1.1	8.9	-428	-0.9	14.9
50-75	86.4	0.0	0.9	18.0	-467	-0.7	17.1
75-100	87.5	0.0	0.7	13.3	-531	-0.6	19.1
100-200	77.0	0.0	0.5	18.9	-538	-0.4	22.4
200-500	17.4	0.0	0.0	0.7	-68	0.0	26.0
500-1,000	5.8	0.0	0.0	0.1	-35	0.0	26.8
More than 1,000	2.6	0.0	0.0	0.0	-16	0.0	30.3
All	73.7	0.0	0.6	100.0	-374	-0.5	21.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-7).

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

Number of AMT Taxpayers (millions). Baseline: 30.3 Proposal: 30.3

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 but excludes those that are dependents of other tax units.

(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.

Table T09-0103
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table

Cash Income Level (thousands of 2008 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	61.2	0.0	3.4	5.6	-182	-71.2	-0.1	0.1	-3.2	1.3
10-20	62.7	0.0	1.9	11.7	-272	-43.4	-0.3	0.4	-1.8	2.3
20-30	77.7	0.0	1.6	12.4	-357	-15.4	-0.3	1.6	-1.4	7.7
30-40	84.6	0.0	1.3	10.2	-400	-8.5	-0.2	2.6	-1.1	12.1
40-50	86.6	0.0	1.1	8.9	-428	-5.9	-0.1	3.4	-0.9	14.9
50-75	86.4	0.0	0.9	18.0	-467	-4.2	-0.2	9.8	-0.7	17.1
75-100	87.5	0.0	0.7	13.3	-531	-3.0	-0.1	10.0	-0.6	19.1
100-200	77.0	0.0	0.5	18.9	-538	-1.7	0.2	25.5	-0.4	22.4
200-500	17.4	0.0	0.0	0.7	-68	-0.1	0.4	17.9	0.0	26.0
500-1,000	5.8	0.0	0.0	0.1	-35	0.0	0.2	7.7	0.0	26.8
More than 1,000	2.6	0.0	0.0	0.0	-16	0.0	0.5	21.1	0.0	30.3
All	73.7	0.0	0.6	100.0	-374	-2.3	0.0	100.0	-0.5	21.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	17,204	11.5	5,704	256	5,448	4.5	0.9	1.1	0.2
10-20	24,101	16.0	15,181	626	14,555	4.1	3.2	4.0	0.6
20-30	19,493	13.0	25,314	2,316	22,999	9.2	4.4	5.1	1.9
30-40	14,384	9.6	35,555	4,686	30,868	13.2	4.5	5.0	2.8
40-50	11,749	7.8	45,838	7,246	38,591	15.8	4.8	5.1	3.5
50-75	21,662	14.4	63,039	11,249	51,789	17.9	12.1	12.7	10.0
75-100	14,107	9.4	88,790	17,442	71,348	19.6	11.1	11.4	10.1
100-200	19,712	13.1	138,154	31,419	106,735	22.7	24.1	23.7	25.3
200-500	5,636	3.8	291,886	75,871	216,014	26.0	14.5	13.7	17.5
500-1,000	989	0.7	695,069	186,291	508,778	26.8	6.1	5.7	7.5
More than 1,000	519	0.4	3,199,967	970,681	2,229,286	30.3	14.7	13.1	20.6
All	150,241	100.0	75,289	16,274	59,015	21.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

Number of AMT Taxpayers (millions). Baseline: 30.3 Proposal: 30.3

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

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(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 but excludes those that are dependents of other tax units.

(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.

Table T09-0103
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2008 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	60.4	0.0	3.4	14.4	-178	-44.3	-0.4	0.5	-3.1	3.9
10-20	53.2	0.0	1.5	19.4	-201	-17.5	-0.5	2.5	-1.3	6.3
20-30	73.8	0.0	1.3	18.0	-282	-7.9	-0.3	5.8	-1.1	13.1
30-40	83.9	0.0	1.1	13.8	-326	-5.1	-0.2	7.1	-0.9	17.1
40-50	85.7	0.0	0.9	11.5	-329	-3.7	-0.1	8.2	-0.7	18.7
50-75	83.8	0.0	0.7	16.8	-318	-2.4	0.1	19.0	-0.5	21.1
75-100	80.9	0.0	0.4	5.2	-245	-1.2	0.2	11.9	-0.3	23.3
100-200	16.7	0.0	0.0	0.7	-34	-0.1	0.4	17.2	0.0	24.5
200-500	4.6	0.0	0.0	0.1	-12	0.0	0.3	10.1	0.0	26.5
500-1,000	3.9	0.0	0.0	0.0	-14	0.0	0.1	4.6	0.0	28.4
More than 1,000	1.3	0.0	0.0	0.0	-3	0.0	0.4	13.1	0.0	34.1
All	66.3	0.0	0.7	100.0	-238	-2.7	0.0	100.0	-0.6	20.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	12,556	19.3	5,704	402	5,303	7.0	2.6	3.1	0.9
10-20	14,909	23.0	15,017	1,149	13,868	7.7	8.2	9.6	3.0
20-30	9,879	15.2	25,243	3,576	21,667	14.2	9.1	10.0	6.1
30-40	6,530	10.1	35,566	6,420	29,146	18.1	8.5	8.9	7.2
40-50	5,421	8.4	45,797	8,911	36,886	19.5	9.1	9.3	8.3
50-75	8,162	12.6	62,150	13,453	48,696	21.7	18.6	18.5	18.9
75-100	3,264	5.0	87,974	20,775	67,198	23.6	10.5	10.2	11.7
100-200	2,958	4.6	134,418	32,935	101,484	24.5	14.6	14.0	16.8
200-500	730	1.1	295,280	78,182	217,099	26.5	7.9	7.4	9.8
500-1,000	130	0.2	694,203	197,451	496,752	28.4	3.3	3.0	4.4
More than 1,000	69	0.1	3,156,727	1,074,793	2,081,933	34.1	7.9	6.7	12.7
All	64,958	100.0	42,053	8,931	33,122	21.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

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(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(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.

Table T09-0103
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2008 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	48.0	0.0	3.5	1.1	-164	-71.4	0.0	0.0	-3.3	1.3
10-20	64.8	0.0	2.9	5.5	-446	-113.3	-0.1	0.0	-2.8	-0.3
20-30	69.1	0.0	2.1	7.5	-505	-42.5	-0.1	0.2	-2.0	2.7
30-40	73.7	0.0	1.7	6.7	-544	-19.5	-0.1	0.5	-1.5	6.3
40-50	81.5	0.0	1.5	7.0	-613	-12.0	-0.1	1.0	-1.3	9.8
50-75	85.1	0.0	1.2	19.0	-631	-6.8	-0.3	5.1	-1.0	13.6
75-100	88.7	0.0	0.9	19.4	-668	-4.2	-0.2	8.7	-0.8	17.2
100-200	91.5	0.0	0.6	32.5	-662	-2.1	-0.1	29.2	-0.5	21.9
200-500	19.8	0.0	0.0	1.2	-79	-0.1	0.4	21.6	0.0	25.9
500-1,000	6.2	0.0	0.0	0.1	-40	0.0	0.2	9.2	0.0	26.5
More than 1,000	2.9	0.0	0.0	0.0	-19	0.0	0.5	24.4	0.0	29.7
All	75.5	0.0	0.6	100.0	-542	-1.9	0.0	100.0	-0.4	22.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009 ¹

Cash Income Level (thousands of 2008 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	2,093	3.5	4,904	229	4,674	4.7	0.1	0.2	0.0
10-20	3,937	6.6	15,709	394	15,315	2.5	0.8	1.1	0.1
20-30	4,757	8.0	25,357	1,189	24,168	4.7	1.6	2.0	0.3
30-40	3,946	6.6	35,641	2,787	32,854	7.8	1.9	2.3	0.7
40-50	3,659	6.2	45,966	5,111	40,856	11.1	2.3	2.6	1.1
50-75	9,688	16.3	64,204	9,347	54,857	14.6	8.4	9.2	5.4
75-100	9,341	15.7	89,292	16,031	73,260	18.0	11.2	11.9	8.9
100-200	15,817	26.6	139,272	31,089	108,183	22.3	29.6	29.7	29.2
200-500	4,725	7.9	291,151	75,511	215,640	25.9	18.5	17.7	21.2
500-1,000	827	1.4	695,396	184,457	510,939	26.5	7.7	7.3	9.1
More than 1,000	430	0.7	3,148,057	936,352	2,211,704	29.7	18.2	16.5	23.9
All	59,479	100.0	125,155	28,295	96,860	22.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

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(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 but excludes those that are dependents of other tax units.

(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.

Table T09-0103
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Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2008 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	76.4	0.0	3.2	6.9	-223	44.7	-0.5	-1.4	-3.5	-11.2
10-20	87.9	0.0	2.1	21.8	-340	39.9	-1.6	-4.8	-2.2	-7.8
20-30	94.2	0.0	1.5	21.4	-367	-62.9	-1.2	0.8	-1.5	0.9
30-40	97.1	0.0	1.2	17.4	-379	-11.1	-0.5	8.6	-1.1	8.6
40-50	95.9	0.0	1.0	11.2	-375	-5.8	0.0	11.3	-0.8	13.3
50-75	96.6	0.0	0.7	15.9	-375	-3.4	0.7	28.0	-0.6	17.1
75-100	95.1	0.0	0.4	4.9	-300	-1.6	0.8	18.4	-0.3	20.8
100-200	22.5	0.0	0.1	0.5	-45	-0.1	1.1	19.8	0.0	24.1
200-500	4.7	0.0	0.0	0.0	-14	0.0	0.5	7.9	0.0	25.0
500-1,000	0.3	0.0	0.0	0.0	-1	0.0	0.2	3.0	0.0	26.7
More than 1,000	0.7	0.0	0.0	0.0	-1	0.0	0.5	8.3	0.0	30.4
All	88.8	0.0	1.0	100.0	-333	-5.9	0.0	100.0	-0.8	13.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 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	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,406	10.3	6,412	-498	6,910	-7.8	1.6	2.1	-0.9
10-20	4,961	21.3	15,257	-853	16,111	-5.6	8.1	9.9	-3.2
20-30	4,512	19.4	25,403	584	24,820	2.3	12.2	13.9	2.0
30-40	3,554	15.3	35,401	3,404	31,996	9.6	13.4	14.1	9.2
40-50	2,315	9.9	45,811	6,446	39,365	14.1	11.3	11.3	11.3
50-75	3,290	14.1	61,934	10,968	50,965	17.7	21.7	20.8	27.3
75-100	1,254	5.4	87,576	18,533	69,043	21.2	11.7	10.7	17.6
100-200	786	3.4	130,519	31,442	99,077	24.1	10.9	9.7	18.7
200-500	132	0.6	298,070	74,413	223,657	25.0	4.2	3.7	7.5
500-1,000	21	0.1	683,864	182,398	501,466	26.7	1.5	1.3	2.9
More than 1,000	11	0.1	3,070,023	932,802	2,137,221	30.4	3.6	2.9	7.8
All	23,292	100.0	40,351	5,680	34,672	14.1	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

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(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.

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Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2008 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	80.2	0.0	3.7	2.6	-248	35.6	-0.1	-0.3	-4.1	-15.8
10-20	95.4	0.0	2.6	9.6	-445	31.4	-0.3	-1.1	-2.9	-12.0
20-30	97.9	0.0	2.0	10.9	-499	506.0	-0.3	-0.4	-2.0	-2.4
30-40	98.8	0.0	1.6	9.6	-518	-18.5	-0.2	1.1	-1.5	6.4
40-50	98.5	0.0	1.4	8.3	-567	-9.8	-0.2	2.0	-1.2	11.4
50-75	98.0	0.0	1.2	18.0	-621	-6.2	-0.3	7.3	-1.0	15.0
75-100	98.7	0.0	1.0	15.8	-692	-4.1	-0.2	9.8	-0.8	18.1
100-200	93.0	0.0	0.6	24.3	-681	-2.2	0.1	29.5	-0.5	22.4
200-500	17.7	0.0	0.0	0.7	-66	-0.1	0.5	21.5	0.0	26.5
500-1,000	4.0	0.0	0.0	0.1	-28	0.0	0.2	8.8	0.0	27.4
More than 1,000	0.8	0.0	0.0	0.0	-4	0.0	0.6	21.5	0.0	30.5
All	90.1	0.0	0.7	100.0	-531	-2.6	0.0	100.0	-0.6	20.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 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 Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Less than 10	2,701	5.6	5,981	-695	6,677	-11.6	0.4	0.5	-0.2
10-20	5,494	11.4	15,478	-1,416	16,894	-9.2	1.9	2.6	-0.8
20-30	5,603	11.7	25,399	-99	25,497	-0.4	3.1	4.0	-0.1
30-40	4,726	9.8	35,550	2,791	32,758	7.9	3.7	4.3	1.3
40-50	3,756	7.8	45,850	5,780	40,071	12.6	3.8	4.2	2.2
50-75	7,394	15.4	63,220	10,073	53,147	15.9	10.2	10.9	7.6
75-100	5,839	12.1	89,123	16,789	72,334	18.8	11.4	11.7	10.0
100-200	9,103	18.9	139,015	31,755	107,260	22.8	27.6	27.1	29.4
200-500	2,690	5.6	288,713	76,653	212,060	26.6	17.0	15.9	21.0
500-1,000	442	0.9	693,043	189,979	503,064	27.4	6.7	6.2	8.6
More than 1,000	212	0.4	3,179,388	969,924	2,209,464	30.5	14.7	13.0	20.9
All	48,094	100.0	95,281	20,441	74,839	21.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 but excludes those that are dependents of other tax units.

(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.

Table T09-0103
"The American Recovery and Reinvestment Tax Act of 2009": Making Work Pay Credit
Conference Report
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2008 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	11.0	0.0	0.5	3.1	-32	-99.2	0.0	0.0	-0.5	0.0
10-20	11.0	0.0	0.3	9.3	-39	-19.0	-0.1	0.3	-0.3	1.1
20-30	21.9	0.0	0.3	11.7	-81	-7.3	-0.1	1.0	-0.3	4.1
30-40	22.9	0.0	0.3	6.8	-89	-4.7	0.0	1.0	-0.3	5.2
40-50	27.4	0.0	0.2	5.5	-90	-2.7	0.0	1.4	-0.2	7.0
50-75	38.9	0.0	0.3	21.9	-150	-2.1	-0.1	7.1	-0.2	10.8
75-100	42.0	0.0	0.3	17.5	-193	-1.5	-0.1	8.0	-0.2	14.1
100-200	40.2	0.0	0.2	22.1	-194	-0.8	0.0	20.5	-0.1	18.5
200-500	11.4	0.0	0.0	1.8	-46	-0.1	0.1	19.4	0.0	23.9
500-1,000	5.7	0.0	0.0	0.2	-29	0.0	0.1	10.4	0.0	27.0
More than 1,000	2.3	0.0	0.0	0.1	-11	0.0	0.2	30.9	0.0	31.1
All	24.3	0.0	0.2	100.0	-98	-0.7	0.0	100.0	-0.1	18.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2008 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	2,765	9.7	6,577	32	6,545	0.5	0.8	1.0	0.0
10-20	6,689	23.4	15,129	204	14,925	1.4	4.7	5.7	0.3
20-30	4,053	14.2	24,891	1,103	23,787	4.4	4.7	5.5	1.1
30-40	2,142	7.5	35,242	1,912	33,331	5.4	3.5	4.0	1.0
40-50	1,714	6.0	46,021	3,306	42,715	7.2	3.6	4.1	1.4
50-75	4,095	14.3	63,445	7,012	56,433	11.1	12.0	13.1	7.2
75-100	2,542	8.9	88,251	12,612	75,639	14.3	10.3	10.9	8.0
100-200	3,191	11.1	137,801	25,695	112,106	18.7	20.3	20.2	20.5
200-500	1,082	3.8	298,445	71,261	227,185	23.9	14.9	13.9	19.3
500-1,000	221	0.8	696,175	187,808	508,367	27.0	7.1	6.4	10.4
More than 1,000	126	0.4	3,134,426	974,196	2,160,230	31.1	18.2	15.4	30.7
All	28,639	100.0	75,721	13,971	61,750	18.5	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-07).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

NOTE: Table shows the impact of the individual income tax measures on 2009 calendar year tax liability. Some individuals may not actually receive the benefits of the provisions until filing their 2009 tax returns in April of 2010. For more discussion of the proposals, see the TPC's Tax Stimulus Report Card: Conference Agreement, available at http://www.taxpolicycenter.org/taxtopics/conference_stimulus.cfm.

(1) Calendar year. Baseline is current law and the Economic Recovery Payments, which are a one-time payment of \$250 to tax units receiving social security, SSI or veterans benefits. For a description of "The American Recovery and Reinvestment Tax Act of 2009" see <http://waysandmeans.house.gov/media/pdf/111/arra.pdf>. Proposal models the Making Work Pay Credit equal to 6.2% of earned income up to a maximum credit of \$400 (\$800 for joint filers) phased out at a rate of 2 percent of AGI exceeding \$75,000 (\$150,000 for joint filers). The Making Work Pay credit is reduced by the value of any Economic Recovery Payments.

(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 but excludes those that are dependents of other tax units.

(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.