

Table T07-0080
Combined Effect of 2001-2006 Tax Cuts with Extension of 2006 AMT Exemption, Indexed for Inflation After 2006
Baseline is pre-EGTRRA Law with Extension of 2000 AMT Exemption, Indexed for Inflation After 2000
Distribution of Federal Tax Change by Cash Income Percentile, 2010¹

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	17.0	0.3	0.4	0.4	-37	-9.8	0.0	0.4	-0.4	3.6
Second Quintile	68.4	0.3	2.1	4.3	-437	-19.1	-0.2	2.4	-1.9	7.9
Middle Quintile	87.2	0.1	2.3	8.0	-814	-11.6	0.0	7.9	-1.9	14.8
Fourth Quintile	98.0	0.0	2.4	13.7	-1,388	-9.0	0.5	17.8	-1.9	19.1
Top Quintile	99.4	0.0	4.6	73.4	-7,452	-11.7	-0.2	71.4	-3.3	24.9
All	74.0	0.2	3.6	100.0	-2,031	-11.5	0.0	100.0	-2.7	21.1
Addendum										
Top 10 Percent	99.6	0.0	5.1	58.6	-11,907	-12.0	-0.3	55.6	-3.6	26.1
Top 5 Percent	99.5	0.0	5.5	47.1	-19,146	-12.3	-0.4	43.4	-3.8	27.1
Top 1 Percent	99.3	0.0	6.8	30.8	-62,515	-13.5	-0.6	25.6	-4.5	29.0
Top 0.5 Percent	99.3	0.0	7.3	25.8	-104,902	-13.9	-0.6	20.6	-4.8	29.7
Top 0.1 Percent	99.6	0.0	7.8	15.5	-314,226	-13.7	-0.3	12.6	-5.0	31.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2010¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	
Lowest Quintile	30,349	19.6	9,317	375	8,942	4.0	2.5	3.1	0.4
Second Quintile	30,951	20.0	23,511	2,289	21,222	9.7	6.3	7.5	2.6
Middle Quintile	30,935	20.0	41,886	7,020	34,867	16.8	11.3	12.3	7.9
Fourth Quintile	30,943	20.0	72,976	15,357	57,619	21.0	19.6	20.4	17.3
Top Quintile	30,945	20.0	225,458	63,485	161,972	28.2	60.7	57.3	71.6
All	154,718	100.0	74,322	17,734	56,588	23.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,472	10.0	334,549	99,280	235,268	29.7	45.0	41.6	56.0
Top 5 Percent	7,734	5.0	502,540	155,385	347,155	30.9	33.8	30.7	43.8
Top 1 Percent	1,547	1.0	1,384,540	463,814	920,726	33.5	18.6	16.3	26.2
Top 0.5 Percent	774	0.5	2,181,481	752,541	1,428,940	34.5	14.7	12.6	21.2
Top 0.1 Percent	155	0.1	6,319,084	2,297,138	4,021,946	36.4	8.5	7.1	13.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

Number of AMT Taxpayers (millions). Baseline: 2.4 Proposal: 5.2

(1) Calendar year. The 2001-2006 tax cuts include provisions affecting the following: 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 (including the saver's credit); expansion of student loan interest deduction (excludes other education provisions); and estate tax exemption, rates, and state death tax credit. Both the baseline and the proposal also include extension of the 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) For the income levels at each quintile and the top income percentiles used in this table, see

<http://www.taxpolicycenter.org/TaxModel/percentiles.cfm>

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

(5) 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.

(6) 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.