

Table T07-0144
Repeal AMT and Implement 4% Surtax on AGI Above \$100,000/\$200,000
Distribution of Federal Tax Change by Cash Income Percentile, 2017¹

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	0.0	0.0	0.0	-0.3	0	-0.1	0.0	0.5	0.0	4.4
Second Quintile	0.4	0.0	0.0	-5.6	-5	-0.2	0.0	2.7	0.0	10.1
Middle Quintile	13.1	0.0	0.3	-142.8	-116	-1.3	-0.1	7.6	-0.2	16.9
Fourth Quintile	40.1	0.1	0.9	-834.7	-680	-3.3	-0.6	17.1	-0.7	21.6
Top Quintile	54.8	22.4	-0.4	1,086.1	884	1.1	0.7	72.0	0.3	29.3
All	21.7	4.5	0.0	100.0	16	0.1	0.0	100.0	0.0	24.6
Addendum										
Top 10 Percent	57.1	32.1	-0.9	1,704.9	2,776	2.2	1.1	56.2	0.7	30.8
Top 5 Percent	48.1	48.1	-1.6	2,222.0	7,235	3.6	1.5	44.0	1.1	32.2
Top 1 Percent	12.3	84.8	-3.3	2,432.1	39,600	6.9	1.7	26.2	2.3	34.9
Top 0.5 Percent	10.4	86.9	-3.7	2,095.2	68,202	7.4	1.4	21.1	2.5	36.0
Top 0.1 Percent	7.0	92.6	-4.3	1,327.3	216,149	7.8	0.9	12.7	2.8	38.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2017¹

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 Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	32,906	19.7	12,488	544	11,944	4.4	2.6	3.3	0.5	
Second Quintile	33,495	20.0	30,722	3,119	27,604	10.2	6.4	7.7	2.7	
Middle Quintile	33,494	20.0	53,357	9,108	44,249	17.1	11.2	12.3	7.8	
Fourth Quintile	33,495	20.0	93,061	20,807	72,254	22.4	19.5	20.1	17.7	
Top Quintile	33,496	20.0	289,501	83,791	205,710	28.9	60.7	57.2	71.3	
All	167,480	100.0	95,452	23,507	71,945	24.6	100.0	100.0	100.0	
Addendum										
Top 10 Percent	16,747	10.0	429,126	129,405	299,721	30.2	45.0	41.7	55.1	
Top 5 Percent	8,375	5.0	643,213	199,907	443,306	31.1	33.7	30.8	42.5	
Top 1 Percent	1,675	1.0	1,762,224	575,727	1,186,498	32.7	18.5	16.5	24.5	
Top 0.5 Percent	838	0.5	2,761,711	926,157	1,835,554	33.5	14.5	12.8	19.7	
Top 0.1 Percent	167	0.1	7,849,252	2,779,382	5,069,871	35.4	8.2	7.1	11.8	

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

Number of AMT Taxpayers (millions). Baseline: 39.1 Proposal: 0.0

(1) Calendar year. Baseline is current law. Proposal repeals the individual alternative minimum tax and implements a 4 percent surtax on adjusted gross incomes above \$200,000 for joint tax units and \$100,000 for other filing statuses. Values are presented in 2007 dollars and indexed for inflation.

(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.