

Table T07-0151
Current-Law AMT Liability, Proposed Surtax, and Change in Tax for Sample Families, 2007

AGI	Single		Head of Household			Married Filing Joint					
	# of kids	0	1	2	3	6	0	1	2	3	6
# of filers	62.1 mil	10.5 mil	5.8 mil	1.3 mil	0.01 mil	33.7 mil	10.4 mil	10.9 mil	4.3 mil	0.1 mil	
Current-Law AMT Liability (in dollars, including direct liability, lost credits, and reduced deductions)											
\$50,000						693					
\$75,000			815	1,665	3,345						1,153
\$100,000		695	1,545	2,395	4,945	97	947	1,677	2,187	3,717	
\$125,000		1,419	2,269	3,119	5,669	821	1,671	2,521	3,371	5,921	
\$150,000	327	3,346	4,196	5,046	7,596	1,540	2,390	3,240	4,090	6,640	
\$200,000	3,142	6,512	7,438	8,365	11,145	4,079	5,031	5,983	6,898	9,448	
\$250,000	5,579	6,967	7,830	8,693	9,557	6,967	7,830	8,693	9,557	12,146	
\$500,000	4,547	8,036	8,410	8,783	9,905	11,790	12,164	12,538	12,912	14,034	
\$1,000,000						1,472	1,868	2,265	2,662	3,852	
Proposed Surtax (in dollars)											
\$50,000						0					
\$75,000			0	0	0						0
\$100,000	0	0	0	0	0	0	0	0	0	0	0
\$125,000	1,000	1,000	1,000	1,000	1,000	0	0	0	0	0	0
\$150,000	2,000	2,000	2,000	2,000	2,000	0	0	0	0	0	0
\$200,000	4,000	4,000	4,000	4,000	4,000	0	0	0	0	0	0
\$250,000	6,000	6,000	6,000	6,000	6,000	2,000	2,000	2,000	2,000	2,000	2,000
\$500,000	16,000	16,000	16,000	16,000	16,000	12,000	12,000	12,000	12,000	12,000	12,000
\$1,000,000	36,000	36,000	36,000	36,000	36,000	32,000	32,000	32,000	32,000	32,000	32,000
Tax Change (in dollars)											
50,000	0	0	0	0	-693	0	0	0	0	0	0
75,000	0	0	-815	-1,665	-3,345	0	0	0	0	0	-1,153
100,000	0	-695	-1,545	-2,395	-4,945	-97	-947	-1,677	-2,187	-3,717	
125,000	1,000	-419	-1,269	-2,119	-4,669	-821	-1,671	-2,521	-3,371	-5,921	
150,000	1,673	-1,346	-2,196	-3,046	-5,596	-1,540	-2,390	-3,240	-4,090	-6,640	
200,000	858	-2,512	-3,438	-4,365	-7,145	-4,079	-5,031	-5,983	-6,898	-9,448	
250,000	421	-967	-1,830	-2,693	-3,557	-4,967	-5,830	-6,693	-7,557	-10,146	
500,000	11,453	7,964	7,590	7,217	6,095	210	-164	-538	-912	-2,034	
1,000,000	36,000	36,000	36,000	36,000	36,000	30,528	30,132	29,735	29,338	28,148	

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

Notes: Baseline is current law (no AMT patch). Proposal would repeal the AMT and replace it with a surtax equal to 4 percent of AGI in excess of \$200,000 for joint returns and \$100,000 for others.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim any other tax credits (such as the dependent care credit, adoption credit, or education tax credits).
- (3) Itemized deductions are assumed to be 21 percent of adjusted gross income (AGI), which was the average ratio for itemizers in 2004. For purposes of calculating the AMT, tax preference items are assumed to be 40% of itemized deductions.
- (4) The fraction of AGI composed of capital gains and dividends at each AGI level is based on current law tabulations from the TPC tax model. AGI under \$50,000 is assumed to be wages only. The fractions are as follows (the first percentage is for capital gains and the second is for dividends): \$50,000: 0.8% and 1.0%; \$75,000: 1.0% and 1.0%; \$100,000: 1.7% and 1.2%; \$125,000: 2.5% and 1.4%; \$150,000: 3.3% and 1.6%; \$200,000: 5.4% and 1.9%; \$250,000: 7.6% and 2.3%; \$500,000: 12.8% and 3.2%; \$1,000,000: 17.0% and 3.1%; \$1,500,000: 21.3% and 3.5%; \$2,000,000: 22.9% and 3.5%. All capital gains are assumed to be long-term gains and all dividends qualifying dividends.