

Table T07-0195
Repeal State and Local Tax Deduction and Repeal AMT
Distribution of Federal Tax Change by Cash Income Percentile for Single Tax Units, 2011¹

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	0.4	0.0	0.1	1	0.1	-0.1	2.1	0.0	7.8
Second Quintile	0.1	5.0	-0.1	1.1	12	0.3	-0.2	7.6	0.1	14.8
Middle Quintile	0.3	17.1	-0.2	6.3	76	0.8	-0.3	17.0	0.2	21.1
Fourth Quintile	1.5	41.0	-0.8	29.5	449	2.5	0.1	27.2	0.6	25.4
Top Quintile	4.6	70.9	-1.4	63.0	2,065	3.2	0.4	46.0	1.0	32.1
All	0.7	17.0	-0.7	100.0	250	2.3	0.0	100.0	0.6	24.6
Addendum										
Top 10 Percent	7.9	76.3	-1.4	41.1	3,222	2.9	0.2	32.4	1.0	33.8
Top 5 Percent	12.5	75.1	-1.4	28.0	4,643	2.6	0.1	24.4	0.9	34.8
Top 1 Percent	14.0	72.6	-1.5	15.9	13,010	2.6	0.0	14.3	0.9	37.3
Top 0.5 Percent	13.1	76.1	-1.5	12.8	20,815	2.5	0.0	11.6	1.0	38.5
Top 0.1 Percent	12.0	79.7	-1.5	6.9	58,149	2.3	0.0	6.9	0.9	40.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011¹

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	20,568	30.9	9,634	746	8,888	7.7	6.5	7.9	2.1	
Second Quintile	15,837	23.8	24,075	3,555	20,521	14.8	12.6	14.1	7.7	
Middle Quintile	13,820	20.8	43,629	9,115	34,514	20.9	19.9	20.7	17.3	
Fourth Quintile	10,938	16.4	72,937	18,075	54,862	24.8	26.3	26.0	27.1	
Top Quintile	5,079	7.6	209,885	65,381	144,504	31.2	35.1	31.8	45.6	
All	66,537	100.0	45,615	10,950	34,665	24.0	100.0	100.0	100.0	
Addendum										
Top 10 Percent	2,124	3.2	336,118	110,332	225,786	32.8	23.5	20.8	32.2	
Top 5 Percent	1,005	1.5	518,836	176,067	342,769	33.9	17.2	14.9	24.3	
Top 1 Percent	204	0.3	1,402,577	510,233	892,344	36.4	9.4	7.9	14.3	
Top 0.5 Percent	102	0.2	2,192,126	824,030	1,368,097	37.6	7.4	6.1	11.6	
Top 0.1 Percent	20	0.0	6,453,381	2,536,708	3,916,673	39.3	4.2	3.3	6.9	

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

Number of single AMT Taxpayers (millions). Baseline: 1.0 Proposal: 0.0

(1) Calendar year. Baseline is current law. Proposal repeals the individual AMT and the state and local tax deduction. Taxation of state tax refunds is unaffected. Single tax units include all tax units filing a single return and non-filing units who would file a single return if they filed. Tax units eligible for head of household status are not included.

(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) The cash income percentile breaks used in this table are (in 2006 dollars): 20% \$15,384, 40% \$29,083, 60% \$50,348, 80% \$89,737, 90% \$132,504, 95% \$186,771, 99% \$447,567, 99.5% \$697,094, 99.9% \$1,996,728.

(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.