

Table T07-0197
Repeal State and Local Tax Deduction Against Tax Cuts Extended Baseline
Distribution of Federal Tax Change by Cash Income Percentile, 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	0.2	0.0	0.0	0	0.1	0.0	0.4	0.0	3.7
Second Quintile	0.0	3.4	0.0	0.5	8	0.4	0.0	2.3	0.0	8.0
Middle Quintile	0.1	15.2	-0.2	3.7	57	0.9	-0.1	7.6	0.1	15.1
Fourth Quintile	1.0	44.0	-0.5	19.8	307	2.1	0.0	17.7	0.4	20.1
Top Quintile	2.6	44.2	-0.7	76.0	1,180	2.0	0.1	71.9	0.5	26.4
All	0.7	21.4	-0.5	100.0	310	1.8	0.0	100.0	0.4	22.3
Addendum										
Top 10 Percent	1.2	33.9	-0.7	59.8	1,858	2.0	0.1	55.7	0.5	27.6
Top 5 Percent	0.8	26.2	-0.9	53.1	3,297	2.3	0.2	43.1	0.6	28.5
Top 1 Percent	1.1	64.6	-1.5	50.0	15,512	3.8	0.5	24.9	1.1	29.9
Top 0.5 Percent	0.6	73.7	-1.7	44.2	27,458	4.1	0.4	20.1	1.2	30.7
Top 0.1 Percent	0.6	77.9	-1.7	25.2	78,071	3.9	0.2	12.3	1.2	32.4

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	30,704	19.6	9,721	358	9,363	3.7	2.5	3.1	0.4
Second Quintile	31,300	20.0	24,460	1,959	22,502	8.0	6.4	7.5	2.3
Middle Quintile	31,297	20.0	43,383	6,506	36,877	15.0	11.3	12.3	7.7
Fourth Quintile	31,305	20.0	75,537	14,877	60,660	19.7	19.6	20.2	17.6
Top Quintile	31,299	20.0	233,599	60,582	173,017	25.9	60.7	57.5	71.8
All	156,502	100.0	77,021	16,880	60,141	21.9	100.0	100.0	100.0
Addendum									
Top 10 Percent	15,650	10.0	346,579	93,939	252,640	27.1	45.0	42.0	55.7
Top 5 Percent	7,825	5.0	520,288	144,922	375,366	27.9	33.8	31.2	42.9
Top 1 Percent	1,565	1.0	1,430,531	412,848	1,017,682	28.9	18.6	16.9	24.5
Top 0.5 Percent	783	0.5	2,252,206	664,573	1,587,633	29.5	14.6	13.2	19.7
Top 0.1 Percent	157	0.1	6,508,651	2,027,945	4,480,705	31.2	8.5	7.5	12.0

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

Number of AMT Taxpayers (millions). Baseline: 35.1 Proposal: 30.1

(1) Calendar year. Baseline is current law plus extension of all provisions of the 2001-2006 tax cuts due to sunset after 2010. Proposal repeals the state and local tax deduction. Taxation of state tax refunds is unaffected.

(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.