

Table T07-0211
Integrated Payroll Tax Plan
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	55.8	0.0	1.7	-5.9	-199	-36.6	-0.2	0.3	-1.6	2.8
Second Quintile	65.0	0.0	0.9	-7.5	-248	-8.0	-0.3	2.4	-0.8	9.3
Middle Quintile	79.0	0.0	0.7	-9.6	-318	-3.5	-0.5	7.3	-0.6	16.5
Fourth Quintile	86.3	0.1	0.6	-12.1	-401	-1.9	-0.8	16.9	-0.4	21.9
Top Quintile	65.2	25.9	-2.2	134.9	4,460	5.3	1.7	73.0	1.5	30.5
All	70.2	5.2	-0.9	100.0	661	2.8	0.0	100.0	0.7	25.3
Addendum										
Top 10 Percent	44.5	46.8	-3.1	141.1	9,332	7.2	2.4	57.4	2.2	32.3
Top 5 Percent	31.3	59.4	-4.0	132.7	17,553	8.8	2.5	45.0	2.7	33.8
Top 1 Percent	23.8	64.2	-4.7	85.0	56,206	9.8	1.7	26.2	3.2	35.8
Top 0.5 Percent	23.6	64.0	-4.7	64.8	85,717	9.3	1.2	21.0	3.1	36.6
Top 0.1 Percent	20.2	68.1	-4.5	34.5	228,006	8.2	0.6	12.5	2.9	38.3

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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	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	3,116	27,606	10.1	6.4	7.7	2.7
Middle Quintile	33,494	20.0	53,357	9,103	44,254	17.1	11.2	12.3	7.8
Fourth Quintile	33,495	20.0	93,061	20,793	72,268	22.3	19.5	20.1	17.7
Top Quintile	33,496	20.0	289,501	83,729	205,773	28.9	60.7	57.2	71.3
All	167,480	100.0	95,452	23,490	71,961	24.6	100.0	100.0	100.0
Addendum									
Top 10 Percent	16,747	10.0	429,126	129,305	299,821	30.1	45.0	41.7	55.0
Top 5 Percent	8,375	5.0	643,213	199,746	443,467	31.1	33.7	30.8	42.5
Top 1 Percent	1,675	1.0	1,762,224	575,394	1,186,830	32.7	18.5	16.5	24.5
Top 0.5 Percent	838	0.5	2,761,711	925,769	1,835,942	33.5	14.5	12.8	19.7
Top 0.1 Percent	167	0.1	7,849,252	2,778,935	5,070,317	35.4	8.2	7.0	11.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-2).

Number of AMT Taxpayers (millions). Baseline: 39.0 Proposal: 39.0

(1) Calendar year. Baseline is current law. Proposal exempts the first \$5,000 in wages from the employee portion of the payroll tax base and removes the cap on taxable Social Security wages.

(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.