

**Table T07-0221**  
**Unified Tax Plan B Against Current Law Baseline**  
**Distribution of Federal Tax Change by Cash Income Class, 2009<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	25.1	1.9	5.2	-177.7	-292	-119.0	-0.2	0.0	-5.0	-0.8
10-20	38.6	17.5	2.7	-355.7	-412	-59.2	-0.4	0.3	-2.6	1.8
20-30	17.3	59.2	-0.2	38.6	54	2.2	0.0	2.2	0.2	9.7
30-40	9.3	76.0	-0.8	145.5	268	5.3	0.2	3.5	0.7	14.3
40-50	11.5	79.8	-0.9	150.3	343	4.3	0.2	4.4	0.7	17.3
50-75	36.8	60.7	-0.5	180.5	240	1.9	0.2	11.6	0.4	19.2
75-100	52.3	46.7	0.2	-62.2	-131	-0.7	-0.1	11.0	-0.1	20.6
100-200	86.0	13.5	1.7	-1,165.5	-1,860	-5.5	-1.5	24.6	-1.3	22.5
200-500	84.6	15.0	2.5	-969.5	-5,638	-6.9	-1.2	15.9	-1.9	25.0
500-1,000	39.8	59.5	-1.5	213.9	7,883	4.0	0.3	6.8	1.1	28.5
More than 1,000	22.5	77.1	-7.2	2,102.3	150,445	15.1	2.5	19.6	4.9	37.2
All	36.9	41.2	0.0	100.0	19	0.1	0.0	100.0	0.0	22.0

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Class, 2009<sup>1</sup>**

Cash Income Class (thousands of 2006 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	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							
Less than 10	17,677	11.6	5,908	246	5,663	4.2	1.0	1.2	0.2
10-20	25,125	16.5	15,917	695	15,223	4.4	3.7	4.5	0.7
20-30	20,689	13.6	26,341	2,492	23,849	9.5	5.0	5.8	2.2
30-40	15,800	10.4	37,089	5,050	32,039	13.6	5.4	6.0	3.4
40-50	12,740	8.4	47,763	7,909	39,854	16.6	5.6	6.0	4.2
50-75	21,849	14.3	65,664	12,367	53,297	18.8	13.2	13.7	11.3
75-100	13,775	9.0	92,210	19,092	73,118	20.7	11.7	11.9	11.0
100-200	18,217	11.9	143,638	34,137	109,501	23.8	24.1	23.5	26.1
200-500	4,999	3.3	303,901	81,664	222,237	26.9	14.0	13.1	17.1
500-1,000	789	0.5	722,111	197,571	524,539	27.4	5.2	4.9	6.5
More than 1,000	406	0.3	3,089,077	997,962	2,091,115	32.3	11.5	10.0	17.0
All	152,651	100.0	71,202	15,610	55,591	21.9	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 29.3 Proposal: 0.0

(1) Calendar year. Baseline is current law. In the proposal, capital gains and dividends are taxed as ordinary income. There is a 50 percent exclusion on capital gains that is capped at \$50,000 and indexed for inflation to 2008 dollars. Income tax rates and brackets are changed so that for married taxpayers filing jointly, the first \$75,000 is taxed at 15 percent, \$75,000-\$250,000 at 25 percent, and over \$250,000 at 35 percent (indexed to 2006 dollars). Brackets for other types of filers are adjusted proportionally. The AMT is eliminated. The ceiling on the social security tax is eliminated for employers (this does not include self-employment income). The EITC has a bracket for taxpayers with 3 or more children that uses the same ranges and values as the bracket for taxpayers with 2 children except that its phase-in rate is 45 percent. For childless EITC recipients, the phase-in rate is 20 percent, the phase-out rate is doubled to 15.3 percent, the lower bound of the plateau is increased to \$8,080, and the upper bound of the plateau is increased to \$10,000 (indexed to 2006 dollars). The Child Tax Credit is made fully refundable and indexed to inflation in 2006 dollars. The estate tax is adjusted to have a \$2.5 million exemption.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) 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.

(5) 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.