

A more detailed version of this table including baseline values and additional distribution measures is available on the second worksheet in the Excel file and second page of the pdf.

1-Nov-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

Table T07-0318
AMT Patch in H.R. 3996 (as Passed by the House), The Temporary Tax Relief Act of 2007
Distribution of Federal Tax Change by Cash Income Percentile for Individuals Removed from AMT, 2007¹
Summary Table

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 (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	*	*	*	*	*	*	*
Second Quintile	*	*	*	*	*	*	*
Middle Quintile	97.5	0.3	1.2	0.3	-425	-1.0	17.7
Fourth Quintile	99.5	0.2	1.2	7.8	-703	-1.0	18.9
Top Quintile	99.4	0.5	1.6	91.9	-1,756	-1.2	22.0
All	99.4	0.5	1.5	100.0	-1,558	-1.2	21.7
Addendum							
80-90	99.6	0.4	1.6	32.0	-1,300	-1.2	20.4
90-95	99.6	0.5	1.7	32.1	-1,856	-1.3	22.8
95-99	99.0	1.0	1.6	27.3	-2,698	-1.2	24.0
Top 1 Percent	95.0	5.0	0.3	0.5	-1,713	-0.3	10.1
Top 0.1 Percent	*	*	*	*	*	*	*

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

Note: Data in cells with asterisks are suppressed due to the small number of cases in those cells.

Number of AMT Taxpayers (millions). Baseline: 19.8 Proposal: 0.0

(1) Calendar year. Baseline is current law. Proposal allows personal nonrefundable credits against the AMT and increases the AMT exemption to \$44,350 for single and head of household filers and to \$66,250 for joint filers in 2007. Table includes only those taxpayers who would pay the AMT in 2007 under current law and who would not under the proposal.

(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% \$13,944, 40% \$26,887, 60% \$47,151, 80% \$83,902, 90% \$123,792, 95% \$174,283, 99% \$425,614, 99.5% \$663,650, and 99.9% 1,925,007.

(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.

Table T07-0318
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Detail Table

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	*	*	*	*	*	*	*	*	*	*
Second Quintile	*	*	*	*	*	*	*	*	*	*
Middle Quintile	97.5	0.3	1.2	0.3	-425	-5.3	0.0	0.3	-1.0	17.7
Fourth Quintile	99.5	0.2	1.2	7.8	-703	-4.9	0.0	8.2	-1.0	18.9
Top Quintile	99.4	0.5	1.6	91.9	-1,756	-5.2	0.0	91.5	-1.2	22.0
All	99.4	0.5	1.5	100.0	-1,558	-5.2	0.0	100.0	-1.2	21.7
Addendum										
80-90	99.6	0.4	1.6	32.0	-1,300	-5.7	-0.2	28.8	-1.2	20.4
90-95	99.6	0.5	1.7	32.1	-1,856	-5.2	0.0	31.8	-1.3	22.8
95-99	99.0	1.0	1.6	27.3	-2,698	-4.7	0.1	29.8	-1.2	24.0
Top 1 Percent	95.0	5.0	0.3	0.5	-1,713	-2.5	0.0	1.1	-0.3	10.1
Top 0.1 Percent	*	*	*	*	*	*	*	*	*	*

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2007¹

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	*	*	*	*	*	*	*	*	*	
Second Quintile	*	*	*	*	*	*	*	*	*	
Middle Quintile	244	1.2	42,713	7,973	34,740	18.7	0.4	0.4	0.3	
Fourth Quintile	3,426	17.3	72,142	14,336	57,806	19.9	9.4	9.8	8.2	
Top Quintile	16,159	81.5	146,380	33,987	112,393	23.2	90.2	89.8	91.5	
All	19,832	100.0	132,263	30,268	101,995	22.9	100.0	100.0	100.0	
Addendum										
80-90	7,601	38.3	105,487	22,846	82,641	21.7	30.6	31.1	28.9	
90-95	5,342	26.9	148,453	35,764	112,689	24.1	30.2	29.8	31.8	
95-99	3,122	15.7	226,610	57,011	169,599	25.2	27.0	26.2	29.7	
Top 1 Percent	94	0.5	670,269	69,246	601,023	10.3	2.4	2.8	1.1	
Top 0.1 Percent	*	*	*	*	*	*	*	*	*	

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