

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.

5-Nov-07

PRELIMINARY RESULTS

<http://www.taxpolicycenter.org>

Table T07-0326
Fully Phased In Provisions of H.R. 3996 (as Passed by the House) at 2008 Income Levels
Distribution of Federal Tax Change by Cash Income Level, 2008 ¹
Summary Table

Cash Income Level (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	1.6	0.0	0.0	0.1	-2	0.0	4.0
10-20	17.3	0.0	0.5	2.8	-72	-0.5	3.9
20-30	11.9	0.0	0.2	1.5	-48	-0.2	9.3
30-40	9.0	0.1	0.1	0.7	-28	-0.1	13.7
40-50	13.0	0.1	0.1	0.9	-44	-0.1	16.4
50-75	24.5	0.1	0.3	4.6	-137	-0.2	18.5
75-100	54.6	0.2	0.7	11.1	-533	-0.6	19.9
100-200	80.5	0.2	1.6	45.7	-1,686	-1.2	22.3
200-500	91.2	0.5	1.9	30.1	-4,070	-1.4	25.1
500-1,000	29.7	0.7	0.2	1.1	-901	-0.1	26.8
More than 1,000	14.1	0.7	0.1	1.5	-2,320	-0.1	30.0
All	27.5	0.1	0.8	100.0	-428	-0.6	20.9

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

Number of AMT Taxpayers (millions). Baseline: 26.4 Proposal: 4.1

Note: Columns showing the percent of tax units with an tax increase/decrease exclude the effect of the tuition and fees deduction, the business tax extenders, and the revenue-raising provisions.

(1) Calendar year. Baseline is current law. Modeled provisions of the proposal allow personal nonrefundable credits against the AMT, increase the AMT exemption to \$44,350 for single and head of household filers and to \$66,250 for joint filers for 2007 (inflated to 2008 for this table), allow an additional standard deduction for property taxes to nonitemizers, set the threshold for the refundable child credit to \$8,500, extend the deduction for state and local sales tax, extend the tuition and fees deduction, extend the research credit and other select business incentives, include nonqualified deferred compensation from a nonqualified entity in gross income, tax income of partners performing investment management services as ordinary income, delay implementation of worldwide allocation of interest expense until 2017, and implement select other revenue-raising provisions.

(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.

Table T07-0326
Fully Phased In Provisions of H.R. 3996 (as Passed by the House) at 2008 Income Levels
Distribution of Federal Tax Change by Cash Income Level, 2008 ¹
Detail Table

Cash Income Level (thousands of 2006 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	1.6	0.0	0.0	0.1	-2	-0.8	0.0	0.2	0.0	4.0
10-20	17.3	0.0	0.5	2.8	-72	-10.7	-0.1	0.7	-0.5	3.9
20-30	11.9	0.0	0.2	1.5	-48	-2.0	0.0	2.2	-0.2	9.3
30-40	9.0	0.1	0.1	0.7	-28	-0.6	0.1	3.5	-0.1	13.7
40-50	13.0	0.1	0.1	0.9	-44	-0.6	0.1	4.3	-0.1	16.4
50-75	24.5	0.1	0.3	4.6	-137	-1.1	0.2	11.6	-0.2	18.5
75-100	54.6	0.2	0.7	11.1	-533	-2.9	0.0	10.9	-0.6	19.9
100-200	80.5	0.2	1.6	45.7	-1,686	-5.1	-0.6	24.8	-1.2	22.3
200-500	91.2	0.5	1.9	30.1	-4,070	-5.1	-0.4	16.3	-1.4	25.1
500-1,000	29.7	0.7	0.2	1.1	-901	-0.5	0.2	6.8	-0.1	26.8
More than 1,000	14.1	0.7	0.1	1.5	-2,320	-0.2	0.5	18.5	-0.1	30.0
All	27.5	0.1	0.8	100.0	-428	-2.9	0.0	100.0	-0.6	20.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2008 ¹

Cash Income Level (thousands of 2006 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	18,164	12.0	5,810	236	5,574	4.1	1.0	1.2	0.2
10-20	25,275	16.8	15,564	675	14,890	4.3	3.7	4.6	0.8
20-30	20,401	13.5	25,811	2,441	23,370	9.5	5.0	5.8	2.2
30-40	15,452	10.2	36,328	4,991	31,337	13.7	5.3	5.9	3.4
40-50	12,430	8.2	46,686	7,699	38,986	16.5	5.5	5.9	4.2
50-75	21,580	14.3	64,226	11,987	52,239	18.7	13.2	13.6	11.4
75-100	13,470	8.9	90,172	18,450	71,722	20.5	11.5	11.7	10.9
100-200	17,502	11.6	140,584	32,997	107,586	23.5	23.3	22.8	25.4
200-500	4,784	3.2	299,277	79,204	220,073	26.5	13.6	12.7	16.7
500-1,000	793	0.5	707,298	190,170	517,128	26.9	5.3	5.0	6.6
More than 1,000	421	0.3	3,228,212	972,176	2,256,036	30.1	12.9	11.5	18.0
All	150,867	100.0	69,872	15,058	54,814	21.6	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 26.4 Proposal: 4.1

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