

**Table T08-0025**  
**Fully Refundable Tax Rebate of \$450 (\$900 For Couples) Plus \$225 Per Dependent**  
**Distribution of Federal Tax Change by Cash Income Level, 2007 Income Levels <sup>1</sup>**  
**Summary Table**

| Cash Income Level<br>(thousands of 2006<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average<br>Federal Tax<br>Change (\$) | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|---------------------------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   |                                       | Change (%)<br>Points)                 | Under the<br>Proposal |
| <b>Less than 10</b>  | 58.9                              | 0.0                  | 5.5  | 6.2                                     | -298                                  | -5.2                                  | -1.2                  |
| <b>10-20</b>   | 68.4                              | 0.0                  | 2.7  | 11.2                                    | -392                                  | -2.6                                  | 1.7                   |
| <b>20-30</b>   | 84.9                              | 0.0                  | 2.3  | 11.6                                    | -514                                  | -2.0                                  | 7.4                   |
| <b>30-40</b>   | 91.4                              | 0.0                  | 1.9  | 9.8                                     | -578                                  | -1.6                                  | 12.2                  |
| <b>40-50</b>   | 96.3                              | 0.0                  | 1.7  | 8.5                                     | -629                                  | -1.4                                  | 15.1                  |
| <b>50-75</b>   | 99.3                              | 0.0                  | 1.4  | 17.5                                    | -737                                  | -1.2                                  | 17.4                  |
| <b>75-100</b>  | 99.9                              | 0.0                  | 1.2  | 12.4                                    | -846                                  | -1.0                                  | 19.0                  |
| <b>100-200</b>   | 100.0                             | 0.0                  | 0.9  | 16.8                                    | -907                                  | -0.7                                  | 21.8                  |
| <b>200-500</b>   | 100.0                             | 0.0                  | 0.4  | 4.6                                     | -918                                  | -0.3                                  | 25.0                  |
| <b>500-1,000</b>   | 100.0                             | 0.0                  | 0.2  | 0.8                                     | -912                                  | -0.1                                  | 27.0                  |
| <b>More than 1,000</b>   | 100.0                             | 0.0                  | 0.0  | 0.4                                     | -903                                  | 0.0                                   | 31.9                  |
| <b>All</b>   | 86.1                              | 0.0                  | 1.2  | 100.0                                   | -603                                  | -0.9                                  | 20.3                  |

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

Number of AMT Taxpayers (millions). Baseline: 3.7 Proposal: 3.7

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. Proposal provides a fully refundable tax rebate available to all individual income tax filers of \$450 (\$900 for married couples filing a joint return) plus \$225 per dependent.

(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 T08-0025**  
**Fully Refundable Tax Rebate of \$450 (\$900 For Couples) Plus \$225 Per Dependent**  
**Distribution of Federal Tax Change by Cash Income Level, 2007 Income Levels <sup>1</sup>**  
**Detail Table**

| Cash Income Level<br>(thousands of 2006<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 58.9                              | 0.0                  | 5.5  | 6.2                                     | -298                       | -129.7  | -0.3                   | -0.1                  | -5.2                                  | -1.2                  |
| 10-20  | 68.4                              | 0.0                  | 2.7  | 11.2                                    | -392                       | -60.8   | -0.5                   | 0.3                   | -2.6                                  | 1.7                   |
| 20-30  | 84.9                              | 0.0                  | 2.3  | 11.6                                    | -514                       | -21.5   | -0.4                   | 1.9                   | -2.0                                  | 7.4                   |
| 30-40  | 91.4                              | 0.0                  | 1.9  | 9.8                                     | -578                       | -11.8   | -0.3                   | 3.3                   | -1.6                                  | 12.2                  |
| 40-50  | 96.3                              | 0.0                  | 1.7  | 8.5                                     | -629                       | -8.4    | -0.2                   | 4.2                   | -1.4                                  | 15.1                  |
| 50-75  | 99.3                              | 0.0                  | 1.4  | 17.5                                    | -737                       | -6.3    | -0.3                   | 11.5                  | -1.2                                  | 17.4                  |
| 75-100   | 99.9                              | 0.0                  | 1.2  | 12.4                                    | -846                       | -4.8    | -0.1                   | 11.0                  | -1.0                                  | 19.0                  |
| 100-200  | 100.0                             | 0.0                  | 0.9  | 16.8                                    | -907                       | -3.0    | 0.3                    | 24.8                  | -0.7                                  | 21.8                  |
| 200-500  | 100.0                             | 0.0                  | 0.4  | 4.6                                     | -918                       | -1.2    | 0.5                    | 16.3                  | -0.3                                  | 25.0                  |
| 500-1,000  | 100.0                             | 0.0                  | 0.2  | 0.8                                     | -912                       | -0.5    | 0.3                    | 7.0                   | -0.1                                  | 27.0                  |
| More than 1,000  | 100.0                             | 0.0                  | 0.0  | 0.4                                     | -903                       | -0.1    | 0.8                    | 19.6                  | 0.0                                   | 31.9                  |
| All  | 86.1                              | 0.0                  | 1.2  | 100.0                                   | -603                       | -4.3    | 0.0                    | 100.0                 | -0.9                                  | 20.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2007 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2006<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-                             | Share of Post-                    | Share of                             |
|--|------------------------|---------------------|--------------------------------|---|--|---|---|-----------------------------------|--------------------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Pre-<br>Tax Income<br>Percent of<br>Total | Tax Income<br>Percent of<br>Total | Federal Taxes<br>Percent of<br>Total |
| Less than 10   | 18,608                 | 12.5                | 5,699                          | 230   | 5,469  | 4.0   | 1.1                                       | 1.3                               | 0.2                                  |
| 10-20  | 25,761                 | 17.3                | 15,189                         | 645   | 14,544   | 4.3   | 3.9                                       | 4.8                               | 0.8                                  |
| 20-30  | 20,224                 | 13.5                | 25,240                         | 2,389   | 22,851   | 9.5   | 5.1                                       | 5.9                               | 2.3                                  |
| 30-40  | 15,244                 | 10.2                | 35,555                         | 4,911   | 30,645   | 13.8  | 5.5                                       | 6.0                               | 3.6                                  |
| 40-50  | 12,157                 | 8.1                 | 45,638                         | 7,506   | 38,132   | 16.5  | 5.6                                       | 5.9                               | 4.4                                  |
| 50-75  | 21,294                 | 14.3                | 62,764                         | 11,625  | 51,140   | 18.5  | 13.5                                      | 13.9                              | 11.8                                 |
| 75-100   | 13,139                 | 8.8                 | 88,142                         | 17,624  | 70,518   | 20.0  | 11.7                                      | 11.8                              | 11.0                                 |
| 100-200  | 16,685                 | 11.2                | 137,212                        | 30,754  | 106,458  | 22.4  | 23.1                                      | 22.7                              | 24.5                                 |
| 200-500  | 4,475                  | 3.0                 | 293,234                        | 74,091  | 219,143  | 25.3  | 13.2                                      | 12.5                              | 15.8                                 |
| 500-1,000  | 756                    | 0.5                 | 692,259                        | 187,849                                       | 504,410  | 27.1  | 5.3                                       | 4.9                               | 6.8                                  |
| More than 1,000  | 396                    | 0.3                 | 3,113,319                      | 992,950                                       | 2,120,369  | 31.9  | 12.4                                      | 10.7                              | 18.8                                 |
| All  | 149,332                | 100.0               | 66,439                         | 14,054  | 52,385   | 21.2  | 100.0                                     | 100.0                             | 100.0                                |

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

Number of AMT Taxpayers (millions). Baseline: 3.7 Proposal: 3.7

(1) Calendar year. Baseline is 2008 current law assuming extension and indexation for inflation of the 2007 AMT patch. Proposal provides a fully refundable tax rebate available to all individual income tax filers of \$450 (\$900 for married couples filing a joint return) plus \$225 per dependent.

(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.