

Table T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017 ¹
Summary Table

Cash Income Level (thousands of 2009 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	65.3	0.0	6.0	1.2	-329	-5.6	0.6
10-20	65.2	0.3	4.0	3.7	-640	-3.8	1.4
20-30	74.3	0.2	4.0	5.3	-1,012	-3.7	6.0
30-40	86.8	0.2	4.0	5.4	-1,328	-3.4	10.6
40-50	91.9	0.0	3.8	4.8	-1,569	-3.1	13.7
50-75	96.0	0.1	3.7	11.2	-2,052	-3.0	16.7
75-100	99.3	0.0	4.2	11.3	-3,155	-3.3	18.6
100-200	99.6	0.0	4.6	31.3	-5,302	-3.5	21.3
200-500	98.9	0.9	4.0	17.4	-9,151	-2.9	24.4
500-1,000	79.4	20.0	1.6	2.7	-8,970	-1.2	27.0
More than 1,000	68.2	31.5	1.6	5.5	-35,111	-1.1	30.9
All	84.9	0.4	3.7	100.0	-2,538	-2.8	20.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

Number of AMT Taxpayers (millions). Baseline: 28.0

Proposal: 5.5

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the \$3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009;

(i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters; (l) extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets, the \$1,000 child tax credit, and the expanded child and dependent care credit).

(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 T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table

Cash Income Level (thousands of 2009 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	65.3	0.0	6.0	1.2	-329	-90.1	-0.2	0.0	-5.6	0.6
10-20	65.2	0.3	4.0	3.7	-640	-73.5	-0.4	0.2	-3.8	1.4
20-30	74.3	0.2	4.0	5.3	-1,012	-37.9	-0.5	1.2	-3.7	6.0
30-40	86.8	0.2	4.0	5.4	-1,328	-24.5	-0.4	2.3	-3.4	10.6
40-50	91.9	0.0	3.8	4.8	-1,569	-18.6	-0.2	2.9	-3.1	13.7
50-75	96.0	0.1	3.7	11.2	-2,052	-15.2	-0.3	8.6	-3.0	16.7
75-100	99.3	0.0	4.2	11.3	-3,155	-14.9	-0.3	8.8	-3.3	18.6
100-200	99.6	0.0	4.6	31.3	-5,302	-14.1	-0.6	26.2	-3.5	21.3
200-500	98.9	0.9	4.0	17.4	-9,151	-10.7	0.3	19.9	-2.9	24.4
500-1,000	79.4	20.0	1.6	2.7	-8,970	-4.2	0.7	8.3	-1.2	27.0
More than 1,000	68.2	31.5	1.6	5.5	-35,111	-3.4	1.9	21.4	-1.1	30.9
All	84.9	0.4	3.7	100.0	-2,538	-12.0	0.0	100.0	-2.8	20.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Post-Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	16,000	9.5	5,837	365	5,472	6.3	0.6	0.8	0.2
10-20	24,432	14.5	16,754	871	15,883	5.2	2.7	3.4	0.6
20-30	22,456	13.4	27,751	2,671	25,081	9.6	4.2	4.9	1.7
30-40	17,395	10.4	38,878	5,433	33,445	14.0	4.5	5.1	2.7
40-50	13,160	7.8	50,046	8,426	41,620	16.8	4.4	4.8	3.1
50-75	23,374	13.9	68,766	13,509	55,257	19.6	10.7	11.3	8.9
75-100	15,256	9.1	96,850	21,201	75,649	21.9	9.8	10.1	9.1
100-200	25,181	15.0	152,523	37,743	114,780	24.8	25.6	25.2	26.8
200-500	8,112	4.8	314,635	85,778	228,857	27.3	17.0	16.2	19.6
500-1,000	1,263	0.8	759,050	213,725	545,325	28.2	6.4	6.0	7.6
More than 1,000	670	0.4	3,231,782	1,032,553	2,199,229	32.0	14.4	12.8	19.5
All	168,027	100.0	89,404	21,091	68,313	23.6	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).
 Number of AMT Taxpayers (millions). Baseline: 28.0 Proposal: 5.5

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the \$3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters;

(l) extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets, the \$1,000 child tax credit, and the expanded child and dependent care credit).

(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

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(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 T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 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	65.2	0.0	5.3	3.2	-282	-54.2	-0.3	0.4	-4.8	4.1
10-20	58.5	0.5	2.8	6.5	-427	-30.6	-0.5	1.9	-2.6	5.8
20-30	66.9	0.2	2.6	8.0	-633	-19.1	-0.4	4.4	-2.3	9.7
30-40	85.7	0.1	2.6	7.3	-855	-13.5	-0.1	6.1	-2.2	14.1
40-50	95.9	0.0	2.8	6.7	-1,118	-11.4	0.0	6.8	-2.2	17.5
50-75	98.8	0.0	3.0	15.2	-1,571	-9.9	0.3	18.0	-2.3	21.0
75-100	99.3	0.0	4.0	13.2	-2,801	-11.3	0.0	13.5	-2.9	23.0
100-200	99.2	0.0	4.2	20.1	-4,485	-11.1	0.1	20.9	-3.0	24.1
200-500	96.9	2.6	5.1	12.0	-11,453	-12.6	-0.1	10.9	-3.6	25.1
500-1,000	82.0	17.6	3.9	3.4	-20,043	-8.9	0.1	4.6	-2.7	27.6
More than 1,000	70.2	29.2	2.2	4.2	-45,714	-4.2	1.0	12.4	-1.5	33.2
All	77.9	0.3	3.4	100.0	-1,346	-11.5	0.0	100.0	-2.6	20.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	11,563	15.3	5,853	520	5,333	8.9	1.7	2.1	0.7
10-20	15,502	20.5	16,653	1,394	15,259	8.4	6.6	7.9	2.4
20-30	12,950	17.1	27,626	3,305	24,321	12.0	9.2	10.5	4.8
30-40	8,694	11.5	38,753	6,326	32,427	16.3	8.7	9.4	6.2
40-50	6,099	8.1	50,008	9,849	40,159	19.7	7.8	8.2	6.8
50-75	9,865	13.0	68,138	15,886	52,252	23.3	17.3	17.2	17.7
75-100	4,817	6.4	95,751	24,772	70,979	25.9	11.9	11.4	13.5
100-200	4,580	6.0	148,129	40,247	107,882	27.2	17.4	16.5	20.8
200-500	1,072	1.4	317,350	91,020	226,330	28.7	8.8	8.1	11.0
500-1,000	174	0.2	744,198	225,504	518,694	30.3	3.3	3.0	4.4
More than 1,000	93	0.1	3,141,841	1,087,503	2,054,339	34.6	7.5	6.4	11.5
All	75,772	100.0	51,323	11,682	39,641	22.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

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(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 T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 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	48.1	0.0	6.6	0.2	-298	-90.0	0.0	0.0	-6.1	0.7
10-20	65.3	0.1	5.4	1.1	-887	-125.3	-0.1	0.0	-5.1	-1.0
20-30	75.6	0.3	5.7	2.5	-1,493	-75.1	-0.3	0.1	-5.3	1.8
30-40	78.8	0.4	5.2	2.9	-1,823	-46.2	-0.3	0.4	-4.7	5.4
40-50	80.6	0.1	4.4	2.8	-1,951	-32.8	-0.2	0.7	-3.9	8.0
50-75	91.4	0.1	3.9	7.6	-2,329	-21.9	-0.5	3.5	-3.3	11.9
75-100	99.2	0.1	4.3	10.5	-3,368	-17.9	-0.5	6.2	-3.5	15.9
100-200	99.7	0.0	4.8	40.0	-5,630	-15.1	-1.3	28.6	-3.7	20.5
200-500	99.4	0.4	3.9	22.6	-8,915	-10.5	0.2	24.6	-2.8	24.2
500-1,000	79.7	19.6	1.3	2.9	-7,317	-3.5	0.8	10.2	-1.0	26.9
More than 1,000	68.3	31.5	1.5	6.9	-33,243	-3.3	2.1	25.6	-1.0	30.4
All	89.8	0.7	3.7	100.0	-4,270	-11.3	0.0	100.0	-2.8	21.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Post-Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	2,074	3.3	4,875	332	4,543	6.8	0.1	0.1	0.0
10-20	3,301	5.3	17,259	708	16,551	4.1	0.6	0.8	0.1
20-30	4,500	7.2	28,008	1,988	26,020	7.1	1.3	1.6	0.4
30-40	4,187	6.7	39,068	3,946	35,122	10.1	1.7	2.0	0.7
40-50	3,878	6.2	50,194	5,949	44,244	11.9	2.0	2.4	1.0
50-75	8,722	13.9	69,670	10,627	59,043	15.3	6.4	7.2	3.9
75-100	8,317	13.3	97,674	18,867	78,807	19.3	8.5	9.1	6.6
100-200	18,981	30.3	154,413	37,222	117,190	24.1	30.7	30.9	29.9
200-500	6,785	10.8	313,960	84,952	229,008	27.1	22.3	21.6	24.4
500-1,000	1,044	1.7	761,886	212,350	549,536	27.9	8.3	8.0	9.4
More than 1,000	551	0.9	3,195,340	1,006,027	2,189,313	31.5	18.4	16.8	23.5
All	62,623	100.0	152,719	37,733	114,985	24.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

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Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 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	81.0	0.0	8.5	2.6	-603	143.2	-0.9	-1.3	-9.1	-15.4
10-20	82.7	0.0	6.3	11.5	-1,097	178.3	-3.7	-5.1	-6.6	-10.2
20-30	91.8	0.0	6.0	14.7	-1,589	-112.4	-3.4	-0.5	-5.7	-0.6
30-40	96.4	0.0	5.4	15.1	-1,818	-36.9	-1.7	7.4	-4.7	8.0
40-50	97.8	0.0	4.8	11.0	-1,997	-23.8	-0.2	10.1	-4.0	12.8
50-75	98.7	0.0	4.6	21.0	-2,528	-18.8	1.1	26.0	-3.7	16.1
75-100	99.7	0.0	4.2	11.0	-3,104	-14.3	1.7	18.8	-3.2	19.4
100-200	98.9	0.0	3.5	9.9	-3,690	-10.2	3.4	24.9	-2.6	22.8
200-500	94.3	5.3	2.4	2.2	-5,704	-6.8	1.4	8.6	-1.8	24.5
500-1,000	63.2	36.7	0.8	0.3	-4,685	-2.4	0.7	3.4	-0.6	25.1
More than 1,000	58.8	41.1	1.3	0.8	-27,624	-2.7	1.5	7.7	-0.9	31.7
All	92.3	0.1	4.7	100.0	-1,887	-22.3	0.0	100.0	-3.9	13.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Post-Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	2,245	8.3	6,658	-421	7,080	-6.3	1.1	1.4	-0.4
10-20	5,382	19.8	16,742	-615	17,357	-3.7	6.8	8.5	-1.4
20-30	4,732	17.4	27,809	1,414	26,395	5.1	9.9	11.3	2.9
30-40	4,249	15.6	38,937	4,924	34,013	12.7	12.4	13.1	9.1
40-50	2,835	10.4	49,870	8,385	41,485	16.8	10.6	10.7	10.3
50-75	4,249	15.6	68,240	13,483	54,757	19.8	21.8	21.1	24.9
75-100	1,813	6.7	95,879	21,680	74,198	22.6	13.1	12.2	17.1
100-200	1,372	5.1	142,970	36,244	106,726	25.4	14.7	13.3	21.6
200-500	197	0.7	318,955	83,850	235,105	26.3	4.7	4.2	7.2
500-1,000	33	0.1	750,220	192,808	557,412	25.7	1.8	1.7	2.7
More than 1,000	14	0.1	3,120,554	1,016,620	2,103,934	32.6	3.3	2.7	6.1
All	27,175	100.0	49,021	8,483	40,539	17.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the \$3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters;

(l) extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets, the \$1,000 child tax credit, and the expanded child and dependent care credit).

(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/TaxModelIncome.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 T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 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	80.7	0.0	9.4	0.9	-657	100.5	-0.2	-0.3	-10.3	-20.6
10-20	95.3	0.0	8.0	3.9	-1,452	114.4	-0.7	-1.2	-8.6	-16.1
20-30	97.9	0.0	8.1	6.0	-2,164	-209.0	-0.9	-0.5	-7.8	-4.1
30-40	99.1	0.0	7.0	6.1	-2,414	-51.6	-0.7	0.9	-6.2	5.8
40-50	99.3	0.0	6.3	5.1	-2,634	-32.5	-0.5	1.8	-5.3	11.0
50-75	99.7	0.0	5.4	11.5	-3,052	-23.6	-0.8	6.1	-4.4	14.4
75-100	99.9	0.0	5.3	11.4	-4,034	-19.5	-0.5	7.7	-4.1	17.1
100-200	100.0	0.0	5.4	34.4	-6,193	-16.2	-0.7	29.4	-4.0	20.9
200-500	99.2	0.7	3.9	16.5	-8,794	-10.1	1.1	24.3	-2.8	25.0
500-1,000	73.3	26.6	0.9	1.3	-4,745	-2.1	1.2	9.8	-0.6	29.0
More than 1,000	58.2	41.6	1.1	3.0	-22,988	-2.2	2.7	21.9	-0.7	32.5
All	97.5	0.5	4.6	100.0	-3,893	-14.2	0.0	100.0	-3.4	20.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Less than 10	2,575	5.1	6,368	-654	7,022	-10.3	0.3	0.4	-0.1
10-20	5,305	10.4	16,859	-1,270	18,128	-7.5	1.6	2.2	-0.5
20-30	5,512	10.8	27,793	1,036	26,757	3.7	2.7	3.4	0.4
30-40	4,988	9.8	38,974	4,680	34,294	12.0	3.4	3.9	1.7
40-50	3,825	7.5	50,034	8,115	41,920	16.2	3.3	3.7	2.2
50-75	7,434	14.6	69,037	12,958	56,079	18.8	8.9	9.6	6.9
75-100	5,566	11.0	97,327	20,705	76,622	21.3	9.4	9.8	8.2
100-200	10,981	21.6	153,420	38,315	115,105	25.0	29.3	29.1	30.1
200-500	3,723	7.3	312,848	87,066	225,782	27.8	20.3	19.3	23.2
500-1,000	534	1.1	758,319	224,656	533,662	29.6	7.0	6.6	8.6
More than 1,000	254	0.5	3,186,906	1,057,321	2,129,585	33.2	14.1	12.4	19.2
All	50,838	100.0	113,062	27,494	85,567	24.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the \$3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters;

(1) extend the 2001 and 2003 tax cuts for low and middle income individuals (marriage penalty relief, the 10, 15, 25, 28 percent brackets, the 15 percent rate on capital gains and qualified dividends for taxpayers in those brackets, the \$1,000 child tax credit, and the expanded child and dependent care credit).

(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 T09-0290
Administration's Fiscal Year 2010 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2017¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 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	15.4	0.0	0.9	0.1	-51	-25.8	0.0	0.1	-0.8	2.4
10-20	19.9	0.1	0.7	1.0	-122	-29.8	-0.1	0.4	-0.7	1.7
20-30	33.6	0.1	0.9	1.8	-226	-22.5	-0.1	1.0	-0.8	2.8
30-40	55.9	0.2	1.5	2.7	-538	-23.4	-0.2	1.4	-1.4	4.6
40-50	67.0	0.0	2.2	3.1	-1,001	-27.4	-0.3	1.3	-2.0	5.3
50-75	81.5	0.1	2.3	7.2	-1,455	-19.9	-0.4	4.6	-2.1	8.4
75-100	97.6	0.0	4.3	12.1	-3,455	-22.1	-0.7	6.8	-3.6	12.6
100-200	98.6	0.1	4.6	28.5	-5,566	-18.1	-1.1	20.7	-3.7	16.6
200-500	98.6	0.5	5.4	23.7	-13,064	-16.1	-0.5	19.8	-4.1	21.2
500-1,000	90.2	7.3	3.6	7.0	-20,233	-9.9	0.5	10.3	-2.6	24.2
More than 1,000	81.1	18.5	2.6	12.6	-59,128	-5.7	2.9	33.6	-1.8	30.0
All	56.9	0.3	3.3	100.0	-2,332	-13.8	0.0	100.0	-2.7	16.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2017¹

Cash Income Level (thousands of 2009 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	Tax Income	Federal Taxes
Less than 10	2,070	5.9	6,166	198	5,968	3.2	0.4	0.5	0.1
10-20	6,680	19.0	17,135	409	16,726	2.4	3.7	4.5	0.5
20-30	6,674	19.0	27,542	1,005	26,537	3.7	6.0	7.2	1.1
30-40	4,077	11.6	38,630	2,296	36,334	5.9	5.1	6.0	1.6
40-50	2,564	7.3	49,862	3,652	46,210	7.3	4.2	4.8	1.6
50-75	4,073	11.6	69,426	7,302	62,125	10.5	9.2	10.2	5.0
75-100	2,877	8.2	96,871	15,640	81,231	16.2	9.1	9.5	7.6
100-200	4,202	11.9	152,477	30,833	121,644	20.2	20.9	20.7	21.8
200-500	1,489	4.2	322,237	81,298	240,939	25.2	15.6	14.5	20.3
500-1,000	285	0.8	765,472	205,461	560,011	26.8	7.1	6.5	9.8
More than 1,000	175	0.5	3,283,902	1,045,317	2,238,584	31.8	18.7	15.8	30.7
All	35,193	100.0	87,173	16,928	70,246	19.4	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-1).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the Making Work Pay Credit, reduce the phase-out rate to 1.6 percent, and index the phase-out thresholds for inflation after 2010; (b) extend the higher EITC credit value for families with 3 children and higher phase-out threshold for married couples; (c) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (d) create automatic 401(k)s and IRAs; (e) extend the American Opportunity Tax Credit; (f) extend the \$3,000 child tax credit refundability threshold; (g) change the threshold for the 36-percent tax bracket to \$250,000 less the standard deduction and two personal exemptions for married couples filing jointly and \$200,000 less the standard deduction and one personal exemption for single filers, indexed for inflation after 2009; (h) set the thresholds for the personal exemption phase-out and limitation on itemized deductions to \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; (i) impose a 20 percent rate on capital gains and qualified dividends for taxpayers in the top two tax brackets and repeal the 8 percent and 18 percent rates for assets held for more than 5 years; (j) limit value of itemized deduction to 28 percent; (k) maintain the estate tax at its 2009 parameters;

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