

**Table T09-0127**  
**Administration's FY2010 Budget Proposals**  
**Make 2009 Estate Tax Law Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2012 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2009 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 (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Less than 10</b>	0.0	0.0	0.0	0.1	-1	0.0	5.6
<b>10-20</b>	0.0	0.0	0.0	0.5	-4	0.0	5.7
<b>20-30</b>	0.0	0.0	0.0	1.1	-9	0.0	10.8
<b>30-40</b>	0.0	0.0	0.0	0.7	-9	0.0	14.9
<b>40-50</b>	0.0	0.0	0.2	3.8	-57	-0.1	17.3
<b>50-75</b>	0.0	0.0	0.1	7.4	-62	-0.1	19.4
<b>75-100</b>	0.1	0.0	0.2	13.9	-174	-0.2	21.0
<b>100-200</b>	0.1	0.0	0.2	27.1	-244	-0.2	24.0
<b>200-500</b>	0.2	0.0	0.4	29.3	-953	-0.3	26.8
<b>500-1,000</b>	0.4	0.0	0.4	9.5	-1,780	-0.3	28.6
<b>More than 1,000</b>	0.5	0.0	0.1	6.6	-2,420	-0.1	33.9
<b>All</b>	0.0	0.0	0.2	100.0	-122	-0.2	23.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

Number of AMT Taxpayers (millions). Baseline: 19.6 Proposal: 19.6

(1) Calendar year. Baseline is current law. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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.

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**Detail Table**

Cash Income Level (thousands of 2009 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 (%) Under the Proposal	Under the Proposal	Change (%) Under the Proposal	Under the Proposal
Less than 10	0.0	0.0	0.0	0.1	-1	-0.3	0.0	0.2	0.0	5.6
10-20	0.0	0.0	0.0	0.5	-4	-0.4	0.0	0.8	0.0	5.7
20-30	0.0	0.0	0.0	1.1	-9	-0.3	0.0	2.2	0.0	10.8
30-40	0.0	0.0	0.0	0.7	-9	-0.2	0.0	3.1	0.0	14.9
40-50	0.0	0.0	0.2	3.8	-57	-0.7	0.0	3.6	-0.1	17.3
50-75	0.0	0.0	0.1	7.4	-62	-0.5	0.0	10.1	-0.1	19.4
75-100	0.1	0.0	0.2	13.9	-174	-0.9	0.0	10.4	-0.2	21.0
100-200	0.1	0.0	0.2	27.1	-244	-0.7	0.0	25.8	-0.2	24.0
200-500	0.2	0.0	0.4	29.3	-953	-1.2	-0.1	16.7	-0.3	26.8
500-1,000	0.4	0.0	0.4	9.5	-1,780	-0.9	0.0	7.4	-0.3	28.6
More than 1,000	0.5	0.0	0.1	6.6	-2,420	-0.2	0.1	19.7	-0.1	33.9
All	0.0	0.0	0.2	100.0	-122	-0.7	0.0	100.0	-0.2	23.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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	16,013	10.2	5,740	323	5,418	5.6	0.8	0.9	0.2
10-20	23,194	14.7	15,900	916	14,984	5.8	3.0	3.7	0.8
20-30	22,014	14.0	26,173	2,822	23,350	10.8	4.7	5.5	2.2
30-40	16,088	10.2	36,651	5,473	31,178	14.9	4.8	5.3	3.1
40-50	12,539	8.0	47,251	8,240	39,011	17.4	4.8	5.2	3.6
50-75	22,724	14.4	65,018	12,701	52,317	19.5	12.1	12.7	10.1
75-100	15,284	9.7	91,616	19,374	72,241	21.2	11.4	11.8	10.4
100-200	21,316	13.6	142,730	34,519	108,211	24.2	24.8	24.6	25.8
200-500	5,894	3.8	300,152	81,296	218,856	27.1	14.5	13.7	16.8
500-1,000	1,021	0.7	714,940	206,488	508,452	28.9	6.0	5.5	7.4
More than 1,000	519	0.3	3,165,609	1,075,111	2,090,497	34.0	13.4	11.6	19.6
All	157,316	100.0	77,851	18,131	59,720	23.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

Number of AMT Taxpayers (millions). Baseline: 19.6

Proposal: 19.6

(1) Calendar year. Baseline is current law. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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 T09-0127**  
**Administration's FY2010 Budget Proposals**  
**Make 2009 Estate Tax Law Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2012<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2009 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	0.0	0.0	0.0	0.1	-1	-0.2	0.0	0.9	0.0	9.2
10-20	0.0	0.0	0.0	0.5	-5	-0.4	0.1	3.2	0.0	10.0
20-30	0.0	0.0	0.1	1.1	-16	-0.4	0.1	6.4	-0.1	14.1
30-40	0.0	0.0	0.0	0.5	-10	-0.2	0.2	7.4	0.0	18.0
40-50	0.0	0.0	0.3	4.2	-117	-1.2	0.1	8.1	-0.3	20.2
50-75	0.1	0.0	0.3	8.2	-147	-1.0	0.3	19.0	-0.2	22.4
75-100	0.3	0.0	1.0	15.4	-669	-2.9	-0.1	12.2	-0.7	24.7
100-200	0.4	0.0	1.4	29.5	-1,435	-3.8	-0.3	17.5	-1.0	25.8
200-500	1.1	0.0	2.8	28.8	-6,079	-6.8	-0.5	9.4	-2.0	27.6
500-1,000	1.3	0.0	2.0	8.0	-9,671	-4.3	-0.1	4.3	-1.4	30.7
More than 1,000	1.6	0.1	0.4	3.6	-8,298	-0.7	0.2	11.7	-0.3	36.9
All	0.1	0.0	0.7	100.0	-239	-2.3	0.0	100.0	-0.5	22.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	11,322	16.5	5,679	524	5,155	9.2	2.1	2.4	0.8
10-20	13,927	20.3	15,797	1,581	14,216	10.0	7.1	8.3	3.1
20-30	12,005	17.5	26,047	3,692	22,354	14.2	10.1	11.2	6.3
30-40	7,758	11.3	36,609	6,612	29,997	18.1	9.2	9.7	7.2
40-50	5,890	8.6	47,203	9,670	37,533	20.5	9.0	9.3	8.0
50-75	9,119	13.3	64,298	14,569	49,729	22.7	18.9	19.0	18.7
75-100	3,769	5.5	90,691	23,034	67,657	25.4	11.0	10.7	12.2
100-200	3,371	4.9	139,363	37,396	101,967	26.8	15.2	14.4	17.8
200-500	777	1.1	304,627	90,065	214,563	29.6	7.6	7.0	9.9
500-1,000	136	0.2	706,682	226,820	479,862	32.1	3.1	2.7	4.3
More than 1,000	72	0.1	3,061,513	1,138,389	1,923,125	37.2	7.1	5.8	11.5
All	68,506	100.0	45,237	10,354	34,883	22.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

(1) Calendar year. Baseline is current law. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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.

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**Administration's FY2010 Budget Proposals**  
**Make 2009 Estate Tax Law Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2012<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2009 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	0.0	0.0	0.1	0.2	-3	-1.1	0.0	0.0	-0.1	5.4
10-20	0.0	0.0	0.0	0.7	-5	-0.7	0.0	0.1	0.0	3.8
20-30	0.0	0.0	0.0	0.6	-3	-0.2	0.0	0.5	0.0	7.5
30-40	0.0	0.0	0.0	2.2	-13	-0.3	0.0	0.9	0.0	10.8
40-50	0.0	0.0	0.0	1.0	-6	-0.1	0.0	1.3	0.0	13.1
50-75	0.0	0.0	0.0	1.8	-5	0.0	0.0	5.4	0.0	16.4
75-100	0.0	0.0	0.0	4.3	-11	-0.1	0.0	9.2	0.0	19.3
100-200	0.0	0.0	0.0	12.0	-18	-0.1	0.0	30.0	0.0	23.6
200-500	0.1	0.0	0.1	31.7	-160	-0.2	0.0	20.5	-0.1	26.6
500-1,000	0.2	0.0	0.1	19.5	-570	-0.3	0.0	9.0	-0.1	28.3
More than 1,000	0.3	0.0	0.1	25.2	-1,472	-0.1	0.0	23.2	-0.1	33.4
All	0.0	0.0	0.0	100.0	-41	-0.1	0.0	100.0	0.0	24.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,080	3.4	4,968	271	4,698	5.5	0.1	0.2	0.0
10-20	3,744	6.1	16,339	620	15,719	3.8	0.8	1.0	0.1
20-30	4,757	7.8	26,344	1,974	24,370	7.5	1.6	1.9	0.5
30-40	4,142	6.8	36,758	3,983	32,776	10.8	1.9	2.3	0.9
40-50	3,865	6.3	47,359	6,216	41,143	13.1	2.3	2.7	1.3
50-75	9,499	15.5	66,123	10,841	55,282	16.4	7.9	8.8	5.4
75-100	9,889	16.1	92,185	17,786	74,399	19.3	11.5	12.3	9.2
100-200	16,942	27.6	143,802	33,958	109,844	23.6	30.8	31.1	29.9
200-500	4,932	8.0	299,285	79,894	219,391	26.7	18.7	18.1	20.5
500-1,000	852	1.4	716,602	203,433	513,169	28.4	7.7	7.3	9.0
More than 1,000	427	0.7	3,123,239	1,043,698	2,079,541	33.4	16.9	14.8	23.2
All	61,400	100.0	128,766	31,308	97,458	24.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

(1) Calendar year. Baseline is current law. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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.

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**Administration's FY2010 Budget Proposals**  
**Make 2009 Estate Tax Law Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2012<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2009 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	0.0	0.0	0.0	0.1	0	0.0	0.0	-0.9	0.0	-8.7
10-20	0.0	0.0	0.0	0.4	0	0.0	0.0	-2.3	0.0	-4.6
20-30	0.0	0.0	0.0	0.4	0	0.0	0.0	4.0	0.0	5.2
30-40	0.0	0.0	0.0	1.8	-1	0.0	0.0	10.6	0.0	12.5
40-50	0.0	0.0	0.0	2.7	-3	0.0	0.0	11.5	0.0	16.3
50-75	0.0	0.0	0.0	8.8	-6	-0.1	0.0	27.2	0.0	19.5
75-100	0.0	0.0	0.0	13.0	-25	-0.1	0.0	16.6	0.0	22.3
100-200	0.0	0.0	0.1	23.9	-74	-0.2	0.0	17.2	-0.1	24.7
200-500	0.1	0.0	0.3	33.5	-632	-0.8	0.0	6.6	-0.2	26.0
500-1,000	0.2	0.0	0.2	6.6	-766	-0.4	0.0	2.6	-0.1	27.3
More than 1,000	0.4	0.0	0.1	8.6	-2,081	-0.2	0.0	6.7	-0.1	34.1
All	0.0	0.0	0.0	100.0	-11	-0.2	0.0	100.0	0.0	15.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,467	9.9	6,689	-582	7,271	-8.7	1.6	2.1	-0.9
10-20	5,224	21.0	15,879	-734	16,613	-4.6	8.0	9.9	-2.3
20-30	4,903	19.7	26,283	1,352	24,931	5.2	12.4	14.0	4.0
30-40	3,826	15.4	36,558	4,569	31,989	12.5	13.5	14.0	10.6
40-50	2,437	9.8	47,271	7,719	39,552	16.3	11.1	11.0	11.4
50-75	3,581	14.4	63,957	12,479	51,478	19.5	22.1	21.1	27.2
75-100	1,358	5.5	90,406	20,145	70,262	22.3	11.8	10.9	16.6
100-200	845	3.4	135,286	33,536	101,750	24.8	11.0	9.8	17.2
200-500	139	0.6	302,335	79,137	223,198	26.2	4.1	3.6	6.7
500-1,000	23	0.1	696,822	191,073	505,749	27.4	1.5	1.3	2.6
More than 1,000	11	0.0	2,985,224	1,018,822	1,966,402	34.1	3.1	2.4	6.7
All	24,862	100.0	41,756	6,618	35,138	15.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

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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.

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**Distribution of Federal Tax Change by Cash Income Level, 2012<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2009 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	0.0	0.0	0.0	0.1	0	0.0	0.0	-0.2	0.0	-12.0
10-20	0.0	0.0	0.0	0.1	0	0.0	0.0	-0.7	0.0	-8.0
20-30	0.0	0.0	0.0	0.3	0	0.0	0.0	0.5	0.0	3.4
30-40	0.0	0.0	0.0	1.2	-1	0.0	0.0	1.9	0.0	11.6
40-50	0.0	0.0	0.0	0.8	-1	0.0	0.0	2.6	0.0	15.7
50-75	0.0	0.0	0.0	3.6	-3	0.0	0.0	8.2	0.0	18.4
75-100	0.0	0.0	0.0	11.7	-12	-0.1	0.0	10.3	0.0	20.8
100-200	0.0	0.0	0.0	12.5	-8	0.0	0.0	29.0	0.0	24.3
200-500	0.0	0.0	0.0	32.8	-75	-0.1	0.0	19.6	0.0	27.3
500-1,000	0.1	0.0	0.1	18.3	-257	-0.1	0.0	8.4	0.0	29.9
More than 1,000	0.1	0.0	0.0	18.1	-537	-0.1	0.0	20.3	0.0	34.6
All	0.0	0.0	0.0	100.0	-12	-0.1	0.0	100.0	0.0	23.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,972	6.0	6,433	-774	7,206	-12.0	0.4	0.6	-0.2
10-20	5,814	11.8	16,048	-1,291	17,339	-8.0	2.0	2.8	-0.7
20-30	5,867	11.9	26,305	899	25,406	3.4	3.3	4.2	0.5
30-40	4,921	10.0	36,655	4,246	32,408	11.6	3.8	4.4	1.9
40-50	3,825	7.8	47,340	7,445	39,895	15.7	3.9	4.2	2.6
50-75	7,471	15.2	65,217	12,027	53,189	18.4	10.4	11.1	8.2
75-100	5,897	12.0	91,884	19,147	72,737	20.8	11.5	11.9	10.3
100-200	9,105	18.5	143,825	34,928	108,897	24.3	27.9	27.6	29.0
200-500	2,642	5.4	298,516	81,492	217,024	27.3	16.8	15.9	19.6
500-1,000	433	0.9	715,609	214,276	501,332	29.9	6.6	6.0	8.5
More than 1,000	204	0.4	3,148,106	1,090,986	2,057,120	34.7	13.7	11.7	20.3
All	49,293	100.0	95,214	22,259	72,956	23.4	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

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. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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 T09-0127**  
**Administration's FY2010 Budget Proposals**  
**Make 2009 Estate Tax Law Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2012<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2009 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	0.0	0.0	0.1	0.1	-5	-2.0	0.0	0.1	-0.1	4.4
10-20	0.0	0.0	0.1	0.4	-14	-2.7	0.0	0.5	-0.1	3.3
20-30	0.0	0.0	0.1	1.0	-31	-2.6	0.0	1.2	-0.1	4.7
30-40	0.0	0.0	0.1	0.4	-27	-1.2	0.0	1.2	-0.1	5.9
40-50	0.1	0.0	0.9	4.1	-373	-10.5	-0.1	1.2	-0.8	6.7
50-75	0.2	0.0	0.5	7.3	-295	-3.8	0.0	6.2	-0.5	11.5
75-100	0.3	0.0	1.0	15.0	-765	-5.3	-0.2	8.9	-0.8	14.9
100-200	0.4	0.0	1.0	27.8	-1,088	-3.7	-0.1	23.9	-0.8	19.9
200-500	0.9	0.0	1.7	29.8	-3,736	-4.7	-0.3	19.9	-1.2	24.8
500-1,000	1.2	0.0	1.1	8.4	-5,773	-2.8	0.0	9.7	-0.8	28.0
More than 1,000	1.5	0.1	0.4	5.6	-7,221	-0.7	0.7	27.2	-0.2	34.1
All	0.2	0.0	0.8	100.0	-556	-3.2	0.0	100.0	-0.7	19.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2012<sup>1</sup>**

Cash Income Level (thousands of 2009 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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	1,848	6.1	5,990	267	5,722	4.5	0.4	0.5	0.1
10-20	5,108	16.9	16,184	543	15,640	3.4	3.2	3.9	0.5
20-30	5,158	17.0	25,829	1,232	24,598	4.8	5.2	6.2	1.2
30-40	2,815	9.3	36,231	2,152	34,079	5.9	3.9	4.7	1.2
40-50	1,850	6.1	47,206	3,543	43,662	7.5	3.4	3.9	1.3
50-75	4,184	13.8	65,731	7,837	57,893	11.9	10.6	11.7	6.3
75-100	3,301	10.9	91,141	14,370	76,771	15.8	11.6	12.3	9.1
100-200	4,291	14.2	142,313	29,378	112,935	20.6	23.6	23.5	24.1
200-500	1,343	4.4	303,063	78,893	224,170	26.0	15.7	14.6	20.2
500-1,000	244	0.8	717,151	206,720	510,431	28.8	6.8	6.0	9.6
More than 1,000	130	0.4	3,111,488	1,068,635	2,042,853	34.3	15.7	12.9	26.5
All	30,291	100.0	85,420	17,306	68,114	20.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-1).

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. The proposal would reduce the top estate tax rate to 45 percent; increase the effective exclusion to \$3.5 million; repeal the state estate tax credit and replace it with a deduction for state estate taxes paid; and repeal the 5 percent surtax.

(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.