

Table T10-0041
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2017¹
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	45.8	0.6	2.5	3.7	-322	-2.4	3.0
Second Quintile	77.0	0.6	3.0	9.2	-861	-2.6	9.3
Middle Quintile	92.9	0.2	3.0	14.1	-1,470	-2.4	16.1
Fourth Quintile	98.9	0.1	4.0	26.2	-3,257	-3.1	19.5
Top Quintile	96.6	3.0	2.8	46.8	-6,708	-2.0	26.1
All	78.3	0.8	3.1	100.0	-2,108	-2.4	21.3
Addendum							
80-90	99.6	0.0	4.4	19.2	-5,456	-3.3	22.0
90-95	99.5	0.0	4.6	13.7	-8,018	-3.4	23.3
95-99	94.8	4.7	3.2	13.0	-9,331	-2.3	25.7
Top 1 Percent	59.7	40.0	0.2	0.9	-2,497	-0.1	31.1
Top 0.1 Percent	34.1	65.4	-0.4	-0.9	23,706	0.3	33.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 5.4

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 (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 deductions 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 including 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.

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$20,593, 40% \$39,503, 60% \$70,723, 80% \$123,030, 90% \$178,376, 95% \$249,239, 99% \$652,980, 99.9% \$3,012,674.

(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.

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Detail Table

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	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	45.8	0.6	2.5	3.7	-322	-44.1	-0.3	0.5	-2.4	3.0
Second Quintile	77.0	0.6	3.0	9.2	-861	-21.8	-0.6	3.6	-2.6	9.3
Middle Quintile	92.9	0.2	3.0	14.1	-1,470	-13.1	-0.4	10.3	-2.4	16.1
Fourth Quintile	98.9	0.1	4.0	26.2	-3,257	-13.7	-0.8	18.3	-3.1	19.5
Top Quintile	96.6	3.0	2.8	46.8	-6,708	-7.2	2.0	67.1	-2.0	26.1
All	78.3	0.8	3.1	100.0	-2,108	-10.0	0.0	100.0	-2.4	21.3
Addendum										
80-90	99.6	0.0	4.4	19.2	-5,456	-13.0	-0.5	14.2	-3.3	22.0
90-95	99.5	0.0	4.6	13.7	-8,018	-12.8	-0.3	10.4	-3.4	23.3
95-99	94.8	4.7	3.2	13.0	-9,331	-8.1	0.3	16.3	-2.3	25.7
Top 1 Percent	59.7	40.0	0.2	0.9	-2,497	-0.4	2.5	26.2	-0.1	31.1
Top 0.1 Percent	34.1	65.4	-0.4	-0.9	23,706	0.7	1.4	12.9	0.3	33.9

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

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	40,705	24.2	13,512	731	12,781	5.4	3.7	4.5	0.8
Second Quintile	37,758	22.5	33,137	3,946	29,192	11.9	8.3	9.6	4.2
Middle Quintile	33,915	20.2	60,464	11,208	49,256	18.5	13.7	14.6	10.7
Fourth Quintile	28,437	16.9	105,717	23,853	81,864	22.6	20.0	20.3	19.1
Top Quintile	24,688	14.7	332,349	93,526	238,823	28.1	54.6	51.4	65.0
All	168,027	100.0	89,404	21,128	68,276	23.6	100.0	100.0	100.0
Addendum									
80-90	12,437	7.4	165,657	41,906	123,751	25.3	13.7	13.4	14.7
90-95	6,069	3.6	235,719	62,834	172,885	26.7	9.5	9.2	10.7
95-99	4,926	2.9	410,513	114,919	295,594	28.0	13.5	12.7	15.9
Top 1 Percent	1,257	0.8	2,141,178	668,404	1,472,774	31.2	17.9	16.1	23.7
Top 0.1 Percent	128	0.1	9,468,938	3,182,675	6,286,263	33.6	8.1	7.0	11.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 5.4

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 s 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 including 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.

(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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(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

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Major Individual Income Tax Provisions
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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	47.7	0.1	3.9	4.6	-486	-126.2	-0.5	-0.1	-3.8	-0.8
Second Quintile	69.7	1.1	3.4	9.0	-905	-27.3	-0.6	2.6	-3.0	8.0
Middle Quintile	86.3	0.3	3.1	13.1	-1,373	-15.3	-0.5	8.0	-2.6	14.3
Fourth Quintile	98.1	0.1	3.7	23.7	-2,665	-13.1	-0.6	17.5	-2.9	19.1
Top Quintile	97.0	2.4	2.7	49.5	-5,534	-7.1	2.2	71.9	-2.0	25.9
All	78.3	0.8	3.1	100.0	-2,108	-10.0	0.0	100.0	-2.4	21.3
Addendum										
80-90	99.2	0.0	4.0	18.8	-4,174	-11.8	-0.3	15.5	-3.0	22.1
90-95	99.4	0.0	4.2	13.7	-6,113	-11.5	-0.2	11.7	-3.1	23.5
95-99	96.1	3.2	3.4	15.1	-8,497	-8.7	0.2	17.5	-2.4	25.4
Top 1 Percent	64.3	34.9	0.4	1.9	-4,493	-0.8	2.5	27.1	-0.2	30.7
Top 0.1 Percent	36.5	62.9	-0.3	-0.7	17,378	0.6	1.4	13.4	0.2	33.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	33,450	19.9	12,732	385	12,347	3.0	2.8	3.6	0.4
Second Quintile	35,074	20.9	30,173	3,313	26,861	11.0	7.0	8.2	3.3
Middle Quintile	33,747	20.1	53,321	8,977	44,344	16.8	12.0	13.0	8.5
Fourth Quintile	31,556	18.8	92,353	20,344	72,009	22.0	19.4	19.8	18.1
Top Quintile	31,677	18.9	279,871	78,044	201,827	27.9	59.0	55.7	69.6
All	168,027	100.0	89,404	21,128	68,276	23.6	100.0	100.0	100.0
Addendum									
80-90	15,914	9.5	140,958	35,340	105,618	25.1	14.9	14.7	15.8
90-95	7,953	4.7	200,752	53,276	147,477	26.5	10.6	10.2	11.9
95-99	6,289	3.7	349,936	97,310	252,626	27.8	14.7	13.9	17.2
Top 1 Percent	1,520	0.9	1,857,869	574,876	1,282,993	30.9	18.8	17.0	24.6
Top 0.1 Percent	151	0.1	8,388,125	2,810,946	5,577,179	33.5	8.5	7.4	12.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

Number of AMT Taxpayers (millions). Baseline: 31.2 Proposal: 5.4

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 deductions 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 including 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.

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(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$14,218, 40% \$26,660, 60% \$45,355, 80% \$75,346, 90% \$108,529, 95% \$153,499, 99% \$395,591, 99.9% \$1,841,089.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

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Detail Table - Single Tax Units

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	35.5	0.1	1.9	3.8	-169	-22.6	-0.2	1.3	-1.7	5.9
Second Quintile	56.2	1.2	1.7	7.9	-358	-14.5	-0.3	4.7	-1.5	9.1
Middle Quintile	83.2	0.2	1.8	11.4	-583	-8.7	0.1	12.0	-1.5	15.3
Fourth Quintile	98.2	0.1	2.4	19.2	-1,248	-8.2	0.2	21.6	-1.9	21.1
Top Quintile	97.8	1.2	3.5	57.4	-4,500	-8.7	0.3	60.4	-2.5	26.1
All	68.4	0.5	2.7	100.0	-1,061	-9.1	0.0	100.0	-2.1	20.6
Addendum										
80-90	98.9	0.0	3.6	18.0	-2,654	-10.0	-0.2	16.2	-2.6	23.5
90-95	99.1	0.0	3.9	13.0	-4,120	-10.6	-0.2	11.0	-2.9	24.3
95-99	98.0	1.0	5.0	20.6	-8,750	-12.8	-0.6	14.1	-3.6	24.4
Top 1 Percent	72.8	26.6	1.5	5.9	-12,171	-3.0	1.2	19.2	-1.0	31.9
Top 0.1 Percent	38.7	60.7	-0.3	-0.5	11,441	0.5	0.9	9.4	0.2	36.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	17,946	23.7	9,849	750	9,099	7.6	4.5	5.4	1.5
Second Quintile	17,740	23.4	23,350	2,476	20,874	10.6	10.7	12.3	5.0
Middle Quintile	15,791	20.8	39,855	6,665	33,190	16.7	16.2	17.4	11.9
Fourth Quintile	12,368	16.3	66,353	15,245	51,108	23.0	21.1	21.0	21.4
Top Quintile	10,255	13.5	181,320	51,751	129,569	28.5	47.8	44.2	60.1
All	75,772	100.0	51,323	11,651	39,672	22.7	100.0	100.0	100.0
Addendum									
80-90	5,447	7.2	101,176	26,450	74,726	26.1	14.2	13.5	16.3
90-95	2,527	3.3	143,504	38,988	104,516	27.2	9.3	8.8	11.2
95-99	1,895	2.5	245,016	68,434	176,582	27.9	11.9	11.1	14.7
Top 1 Percent	386	0.5	1,246,622	410,258	836,364	32.9	12.4	10.7	18.0
Top 0.1 Percent	34	0.0	6,069,456	2,212,132	3,857,323	36.5	5.3	4.3	8.5

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Detail Table - Married Tax Units Filing Jointly

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	48.2	0.1	5.1	2.4	-820	-115.6	-0.2	0.0	-4.9	-0.7
Second Quintile	75.0	1.3	4.1	5.6	-1,427	-32.7	-0.4	1.2	-3.7	7.6
Middle Quintile	84.8	0.6	3.6	11.0	-2,117	-19.1	-0.6	4.9	-3.1	13.0
Fourth Quintile	97.9	0.1	4.3	26.3	-3,837	-15.7	-1.1	14.8	-3.4	18.0
Top Quintile	96.6	2.9	2.6	54.7	-6,256	-6.7	2.3	79.1	-1.9	25.8
All	85.8	1.2	3.1	100.0	-3,583	-9.5	0.0	100.0	-2.4	22.5
Addendum										
80-90	99.5	0.1	4.1	21.5	-5,173	-12.7	-0.6	15.5	-3.1	21.5
90-95	99.6	0.0	4.2	16.3	-7,186	-11.8	-0.3	12.7	-3.1	23.2
95-99	95.4	4.1	3.0	15.8	-8,594	-7.7	0.4	19.8	-2.2	25.7
Top 1 Percent	61.9	37.3	0.2	1.1	-2,266	-0.4	2.9	31.2	-0.1	30.4
Top 0.1 Percent	36.2	63.3	-0.3	-0.8	16,523	0.6	1.5	15.1	0.2	33.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	6,484	10.4	16,852	709	16,142	4.2	1.1	1.5	0.2
Second Quintile	8,750	14.0	38,883	4,364	34,519	11.2	3.6	4.2	1.6
Middle Quintile	11,696	18.7	69,198	11,096	58,102	16.0	8.5	9.5	5.5
Fourth Quintile	15,376	24.6	114,228	24,446	89,782	21.4	18.4	19.2	15.8
Top Quintile	19,603	31.3	335,346	92,905	242,441	27.7	68.7	66.1	76.8
All	62,623	100.0	152,719	37,884	114,835	24.8	100.0	100.0	100.0
Addendum									
80-90	9,331	14.9	165,784	40,822	124,963	24.6	16.2	16.2	16.1
90-95	5,082	8.1	230,762	60,759	170,003	26.3	12.3	12.0	13.0
95-99	4,122	6.6	400,541	111,546	288,995	27.9	17.3	16.6	19.4
Top 1 Percent	1,068	1.7	2,063,034	629,036	1,433,999	30.5	23.0	21.3	28.3
Top 0.1 Percent	109	0.2	9,022,743	2,971,400	6,051,342	32.9	10.3	9.2	13.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 deductions 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 including 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.

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$14,218, 40% \$26,660, 60% \$45,355, 80% \$75,346, 90% \$108,529, 95% \$153,499, 99% \$395,591, 99.9% \$1,841,089.

(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 T10-0041
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Head of Household Tax Units

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	71.9	0.2	5.5	17.4	-895	142.4	-4.8	-7.2	-5.7	-9.7
Second Quintile	92.0	0.7	4.8	27.8	-1,526	-39.1	-3.4	10.6	-4.3	6.7
Middle Quintile	96.6	0.1	4.3	25.4	-2,040	-18.7	0.3	27.2	-3.5	15.1
Fourth Quintile	99.2	0.0	3.7	18.2	-2,622	-12.6	2.5	30.8	-2.9	19.8
Top Quintile	96.8	2.1	2.4	11.2	-3,852	-6.6	5.4	38.6	-1.8	25.0
All	87.2	0.4	4.1	100.0	-1,663	-19.7	0.0	100.0	-3.4	13.9
Addendum										
80-90	98.7	0.0	3.3	6.2	-3,307	-9.6	1.6	14.3	-2.5	23.1
90-95	98.7	0.0	3.6	2.7	-5,029	-10.1	0.6	6.0	-2.7	23.7
95-99	94.0	5.8	2.2	2.3	-5,523	-6.5	1.2	8.1	-1.7	24.1
Top 1 Percent	57.1	42.8	0.0	0.0	-193	0.0	2.0	10.3	0.0	30.6
Top 0.1 Percent	34.0	65.8	-0.6	-0.2	33,131	1.3	1.0	4.6	0.4	33.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	8,770	32.3	15,647	-628	16,275	-4.0	10.3	13.0	-2.4
Second Quintile	8,213	30.2	35,755	3,903	31,852	10.9	22.0	23.7	14.0
Middle Quintile	5,633	20.7	58,874	10,931	47,943	18.6	24.9	24.5	26.8
Fourth Quintile	3,130	11.5	91,665	20,787	70,878	22.7	21.5	20.1	28.3
Top Quintile	1,317	4.9	216,103	57,964	158,139	26.8	21.4	18.9	33.2
All	27,175	100.0	49,021	8,451	40,570	17.2	100.0	100.0	100.0
Addendum									
80-90	845	3.1	135,186	34,507	100,679	25.5	8.6	7.7	12.7
90-95	247	0.9	188,332	49,708	138,624	26.4	3.5	3.1	5.3
95-99	187	0.7	332,770	85,659	247,111	25.7	4.7	4.2	7.0
Top 1 Percent	39	0.1	1,587,850	486,364	1,101,486	30.6	4.6	3.9	8.2
Top 0.1 Percent	3	0.0	7,937,589	2,653,213	5,284,377	33.4	1.9	1.5	3.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 deductions 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 including 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.

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$14,218, 40% \$26,660, 60% \$45,355, 80% \$75,346, 90% \$108,529, 95% \$153,499, 99% \$395,591, 99.9% \$1,841,089.

(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 T10-0041
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Tax Units with Children

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	81.3	0.2	6.9	7.4	-1,245	152.2	-1.1	-1.8	-7.3	-12.0
Second Quintile	97.9	0.3	5.9	12.6	-2,098	-44.1	-1.3	2.3	-5.2	6.6
Middle Quintile	99.3	0.0	5.0	17.4	-2,919	-20.9	-1.0	9.4	-4.0	15.3
Fourth Quintile	99.8	0.0	5.3	29.4	-4,950	-17.0	-1.1	20.5	-4.0	19.7
Top Quintile	95.9	4.0	2.6	33.1	-6,765	-6.4	4.6	69.4	-1.9	27.4
All	94.4	0.8	4.1	100.0	-3,457	-12.5	0.0	100.0	-3.1	21.4
Addendum										
80-90	99.9	0.0	4.7	16.7	-6,466	-12.9	-0.1	16.1	-3.4	23.0
90-95	99.8	0.1	4.7	10.7	-9,176	-12.2	0.0	11.1	-3.4	24.5
95-99	90.7	9.0	2.1	6.5	-7,091	-5.1	1.4	17.3	-1.5	27.7
Top 1 Percent	49.1	50.7	-0.2	-0.9	3,933	0.5	3.2	24.9	0.2	32.8
Top 0.1 Percent	24.8	75.1	-0.6	-0.9	44,443	1.2	1.6	11.4	0.4	34.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	10,432	20.5	17,171	-818	17,988	-4.8	3.1	4.3	-0.6
Second Quintile	10,570	20.8	40,353	4,756	35,596	11.8	7.4	8.7	3.6
Middle Quintile	10,488	20.6	72,386	13,977	58,409	19.3	13.2	14.1	10.4
Fourth Quintile	10,438	20.5	122,710	29,076	93,634	23.7	22.3	22.5	21.6
Top Quintile	8,587	16.9	362,965	106,113	256,852	29.2	54.2	50.8	64.9
All	50,838	100.0	113,062	27,626	85,435	24.4	100.0	100.0	100.0
Addendum									
80-90	4,538	8.9	189,201	49,998	139,202	26.4	14.9	14.5	16.2
90-95	2,056	4.0	270,179	75,448	194,731	27.9	9.7	9.2	11.0
95-99	1,608	3.2	478,067	139,532	338,535	29.2	13.4	12.5	16.0
Top 1 Percent	385	0.8	2,423,697	790,992	1,632,705	32.6	16.3	14.5	21.7
Top 0.1 Percent	36	0.1	11,187,796	3,808,308	7,379,488	34.0	7.1	6.2	9.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

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: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 s 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 including 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.

(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 classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$14,218, 40% \$26,660, 60% \$45,355, 80% \$75,346, 90% \$108,529, 95% \$153,499, 99% \$395,591, 99.9% \$1,841,089.

(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 T10-0041
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Elderly Tax Units

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	9.1	0.1	0.5	0.5	-56	-18.5	0.0	0.3	-0.4	1.9
Second Quintile	27.6	0.1	0.8	2.8	-194	-19.5	-0.2	1.5	-0.7	3.1
Middle Quintile	52.4	0.3	1.0	5.0	-450	-16.7	-0.2	3.2	-1.0	4.9
Fourth Quintile	92.9	0.1	2.8	16.4	-2,054	-18.0	-0.8	9.6	-2.4	11.1
Top Quintile	96.7	2.0	3.6	75.2	-7,848	-10.2	1.2	85.3	-2.6	23.3
All	52.6	0.5	2.7	100.0	-1,929	-11.4	0.0	100.0	-2.2	17.2
Addendum										
80-90	98.4	0.1	4.5	19.9	-4,610	-18.7	-1.0	11.2	-3.6	15.7
90-95	98.6	0.1	4.7	15.9	-6,781	-16.8	-0.7	10.2	-3.7	18.3
95-99	98.0	1.0	5.4	28.9	-12,844	-15.9	-1.1	19.7	-4.0	21.4
Top 1 Percent	74.1	24.0	1.3	10.5	-15,745	-3.0	3.9	44.3	-0.9	29.9
Top 0.1 Percent	45.3	54.4	0.1	0.3	-3,620	-0.1	2.6	23.3	-0.1	33.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2017¹

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	5,486	15.6	12,851	302	12,549	2.4	2.3	2.8	0.3
Second Quintile	9,944	28.3	26,105	997	25,108	3.8	8.5	10.1	1.7
Middle Quintile	7,536	21.4	46,194	2,690	43,504	5.8	11.4	13.3	3.4
Fourth Quintile	5,425	15.4	84,549	11,399	73,150	13.5	15.0	16.1	10.4
Top Quintile	6,505	18.5	297,285	76,966	220,319	25.9	63.0	58.0	84.2
All	35,193	100.0	87,173	16,901	70,272	19.4	100.0	100.0	100.0
Addendum									
80-90	2,933	8.3	127,727	24,648	103,079	19.3	12.2	12.2	12.2
90-95	1,593	4.5	183,292	40,336	142,957	22.0	9.5	9.2	10.8
95-99	1,528	4.3	318,053	80,884	237,170	25.4	15.8	14.7	20.8
Top 1 Percent	451	1.3	1,732,517	533,402	1,199,114	30.8	25.5	21.9	40.4
Top 0.1 Percent	49	0.1	7,447,999	2,503,384	4,944,616	33.6	11.9	9.8	20.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

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: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples and allow it against the AMT; (b) modify the saver's credit making it equal to 50% of the first \$500 of retirement savings (\$1,000 for couples) and fully refundable; (c) create automatic 401(k)s and IRAs; (d) extend the American Opportunity Tax Credit; (e) extend child tax credit refundability with a \$3,000 refundability threshold, extend the \$1,000 credit, and allow against the AMT; (f) extend the higher 35 percent child and dependent care tax credit rate, raise the phase-out threshold to \$85,000, and allow against the AMT; (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 s 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 including 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.

(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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