

Table T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2017 ¹
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 (%) Points)	Under the Proposal
Lowest Quintile	29.8	0.5	1.8	-11.5	-230	-1.7	3.0
Second Quintile	37.5	1.2	0.8	-11.7	-251	-0.8	9.3
Middle Quintile	38.0	0.4	0.5	-10.9	-260	-0.4	16.1
Fourth Quintile	30.6	0.1	0.3	-7.7	-221	-0.2	19.5
Top Quintile	17.4	15.4	-1.9	142.2	4,667	1.4	26.1
All	31.2	2.7	-0.7	100.0	482	0.5	21.3
Addendum							
80-90	22.6	0.3	0.3	-4.9	-321	-0.2	22.0
90-95	17.1	1.8	0.1	-1.2	-166	-0.1	23.3
95-99	8.7	52.1	-1.0	18.7	3,084	0.8	25.7
Top 1 Percent	2.2	87.8	-5.4	129.6	83,526	3.9	31.1
Top 0.1 Percent	0.2	97.3	-6.6	70.3	444,139	4.7	33.9

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

Number of AMT Taxpayers (millions). Baseline: 6.6 Proposal: 5.4

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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.

Table T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 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	29.8	0.5	1.8	-11.5	-230	-36.0	-0.3	0.5	-1.7	3.0
Second Quintile	37.5	1.2	0.8	-11.7	-251	-7.5	-0.4	3.6	-0.8	9.3
Middle Quintile	38.0	0.4	0.5	-10.9	-260	-2.6	-0.6	10.3	-0.4	16.1
Fourth Quintile	30.6	0.1	0.3	-7.7	-221	-1.1	-0.7	18.3	-0.2	19.5
Top Quintile	17.4	15.4	-1.9	142.2	4,667	5.7	2.0	67.1	1.4	26.1
All	31.2	2.7	-0.7	100.0	482	2.6	0.0	100.0	0.5	21.3
Addendum										
80-90	22.6	0.3	0.3	-4.9	-321	-0.9	-0.5	14.2	-0.2	22.0
90-95	17.1	1.8	0.1	-1.2	-166	-0.3	-0.3	10.4	-0.1	23.3
95-99	8.7	52.1	-1.0	18.7	3,084	3.0	0.1	16.3	0.8	25.7
Top 1 Percent	2.2	87.8	-5.4	129.6	83,526	14.3	2.7	26.2	3.9	31.1
Top 0.1 Percent	0.2	97.3	-6.6	70.3	444,139	16.1	1.5	12.9	4.7	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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	40,705	24.2	13,512	638	12,874	4.7	3.7	4.4	0.8
Second Quintile	37,758	22.5	33,137	3,336	29,802	10.1	8.3	9.5	4.0
Middle Quintile	33,915	20.2	60,464	9,998	50,466	16.5	13.7	14.4	10.9
Fourth Quintile	28,437	16.9	105,717	20,816	84,901	19.7	20.0	20.3	19.0
Top Quintile	24,688	14.7	332,349	82,151	250,197	24.7	54.6	51.9	65.1
All	168,027	100.0	89,404	18,538	70,866	20.7	100.0	100.0	100.0
Addendum									
80-90	12,437	7.4	165,657	36,771	128,886	22.2	13.7	13.5	14.7
90-95	6,069	3.6	235,719	54,982	180,737	23.3	9.5	9.2	10.7
95-99	4,926	2.9	410,513	102,504	308,009	25.0	13.5	12.7	16.2
Top 1 Percent	1,257	0.8	2,141,178	582,381	1,558,797	27.2	17.9	16.5	23.5
Top 0.1 Percent	128	0.1	9,468,938	2,762,243	6,706,695	29.2	8.1	7.2	11.4

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

Number of AMT Taxpayers (millions). Baseline: 6.6 Proposal: 5.4

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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.

Table T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
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	37.6	0.1	2.7	-13.7	-331	-143.7	-0.4	-0.1	-2.6	-0.8
Second Quintile	35.0	1.7	0.8	-10.1	-232	-8.8	-0.3	2.6	-0.8	8.0
Middle Quintile	39.8	0.5	0.5	-9.5	-229	-2.9	-0.5	8.0	-0.4	14.3
Fourth Quintile	29.4	0.1	0.3	-9.5	-243	-1.4	-0.7	17.5	-0.3	19.1
Top Quintile	14.5	12.0	-1.7	143.1	3,660	5.3	1.9	71.9	1.3	25.9
All	31.2	2.7	-0.7	100.0	482	2.6	0.0	100.0	0.5	21.3
Addendum										
80-90	18.9	0.1	0.2	-4.2	-214	-0.7	-0.5	15.5	-0.2	22.1
90-95	12.8	1.4	0.1	-1.0	-102	-0.2	-0.3	11.7	-0.1	23.5
95-99	8.4	38.3	-0.9	18.0	2,313	2.7	0.0	17.5	0.7	25.4
Top 1 Percent	2.1	84.4	-5.1	130.3	69,447	13.9	2.7	27.1	3.7	30.7
Top 0.1 Percent	0.2	96.6	-6.5	72.4	387,818	15.9	1.5	13.4	4.6	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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	33,450	19.9	12,732	231	12,502	1.8	2.8	3.5	0.3
Second Quintile	35,074	20.9	30,173	2,639	27,534	8.8	7.0	8.1	3.0
Middle Quintile	33,747	20.1	53,321	7,834	45,488	14.7	12.0	12.9	8.5
Fourth Quintile	31,556	18.8	92,353	17,923	74,431	19.4	19.4	19.7	18.2
Top Quintile	31,677	18.9	279,871	68,850	211,022	24.6	59.0	56.1	70.0
All	168,027	100.0	89,404	18,538	70,866	20.7	100.0	100.0	100.0
Addendum									
80-90	15,914	9.5	140,958	31,379	109,579	22.3	14.9	14.7	16.0
90-95	7,953	4.7	200,752	47,264	153,488	23.5	10.6	10.3	12.1
95-99	6,289	3.7	349,936	86,501	263,435	24.7	14.7	13.9	17.5
Top 1 Percent	1,520	0.9	1,857,869	500,935	1,356,934	27.0	18.8	17.3	24.5
Top 0.1 Percent	151	0.1	8,388,125	2,440,506	5,947,619	29.1	8.5	7.6	11.9

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

Number of AMT Taxpayers (millions). Baseline: 6.6 Proposal: 5.4

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

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<http://www.taxpolicycenter.org/TaxModelIncome.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.

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Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	21.5	0.0	1.5	-36.7	-133	-18.7	-0.3	1.3	-1.4	5.9
Second Quintile	20.1	1.4	0.5	-30.6	-113	-5.1	-0.3	4.7	-0.5	9.1
Middle Quintile	29.1	0.2	0.4	-33.5	-138	-2.2	-0.4	12.0	-0.4	15.3
Fourth Quintile	17.6	0.0	0.3	-27.6	-146	-1.0	-0.4	21.6	-0.2	21.1
Top Quintile	10.1	6.6	-1.1	231.0	1,470	3.2	1.4	60.4	0.8	26.1
All	20.4	1.3	-0.2	100.0	86	0.8	0.0	100.0	0.2	20.6
Addendum										
80-90	13.0	0.0	0.2	-10.8	-129	-0.5	-0.2	16.2	-0.1	23.5
90-95	7.3	0.0	0.1	-3.0	-78	-0.2	-0.1	11.0	-0.1	24.3
95-99	7.1	19.0	-0.2	11.9	411	0.7	0.0	14.1	0.2	24.4
Top 1 Percent	1.8	81.0	-4.4	232.8	39,334	11.0	1.8	19.2	3.2	31.9
Top 0.1 Percent	0.1	95.8	-6.5	138.9	268,499	13.7	1.1	9.4	4.4	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	714	9,135	7.3	4.5	5.3	1.6
Second Quintile	17,740	23.4	23,350	2,231	21,119	9.6	10.7	12.1	5.0
Middle Quintile	15,791	20.8	39,855	6,221	33,634	15.6	16.2	17.2	12.3
Fourth Quintile	12,368	16.3	66,353	14,143	52,210	21.3	21.1	20.9	22.0
Top Quintile	10,255	13.5	181,320	45,781	135,539	25.3	47.8	44.9	59.0
All	75,772	100.0	51,323	10,504	40,819	20.5	100.0	100.0	100.0
Addendum									
80-90	5,447	7.2	101,176	23,925	77,251	23.7	14.2	13.6	16.4
90-95	2,527	3.3	143,504	34,945	108,559	24.4	9.3	8.9	11.1
95-99	1,895	2.5	245,016	59,273	185,744	24.2	11.9	11.4	14.1
Top 1 Percent	386	0.5	1,246,622	358,753	887,870	28.8	12.4	11.1	17.4
Top 0.1 Percent	34	0.0	6,069,456	1,955,074	4,114,381	32.2	5.3	4.5	8.3

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

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Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2017¹
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	44.2	0.0	2.6	-3.5	-436	-134.1	-0.1	0.0	-2.6	-0.7
Second Quintile	48.3	1.5	1.0	-3.9	-363	-11.0	-0.2	1.2	-0.9	7.6
Middle Quintile	48.4	1.2	0.5	-4.2	-289	-3.1	-0.4	4.9	-0.4	13.0
Fourth Quintile	38.3	0.1	0.3	-5.8	-306	-1.5	-0.8	14.8	-0.3	18.0
Top Quintile	17.2	14.9	-1.9	117.6	4,837	5.9	1.5	79.1	1.4	25.8
All	35.3	5.1	-1.1	100.0	1,288	3.9	0.0	100.0	0.8	22.5
Addendum										
80-90	23.3	0.0	0.2	-3.2	-277	-0.8	-0.7	15.5	-0.2	21.5
90-95	15.5	1.7	0.1	-0.7	-116	-0.2	-0.5	12.7	-0.1	23.2
95-99	9.2	46.4	-1.1	16.4	3,207	3.2	-0.1	19.8	0.8	25.7
Top 1 Percent	2.4	85.2	-5.2	105.1	79,377	14.5	2.9	31.2	3.9	30.4
Top 0.1 Percent	0.2	96.8	-6.5	56.7	420,242	16.4	1.6	15.1	4.7	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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	6,484	10.4	16,852	325	16,527	1.9	1.1	1.4	0.1
Second Quintile	8,750	14.0	38,883	3,300	35,583	8.5	3.6	4.2	1.4
Middle Quintile	11,696	18.7	69,198	9,268	59,930	13.4	8.5	9.4	5.2
Fourth Quintile	15,376	24.6	114,228	20,914	93,313	18.3	18.4	19.1	15.6
Top Quintile	19,603	31.3	335,346	81,813	253,534	24.4	68.7	66.3	77.6
All	62,623	100.0	152,719	33,013	119,706	21.6	100.0	100.0	100.0
Addendum									
80-90	9,331	14.9	165,784	35,925	129,859	21.7	16.2	16.2	16.2
90-95	5,082	8.1	230,762	53,689	177,073	23.3	12.3	12.0	13.2
95-99	4,122	6.6	400,541	99,745	300,796	24.9	17.3	16.5	19.9
Top 1 Percent	1,068	1.7	2,063,034	547,393	1,515,641	26.5	23.0	21.6	28.3
Top 0.1 Percent	109	0.2	9,022,743	2,567,681	6,455,062	28.5	10.3	9.4	13.5

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phase-out exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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 T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
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	66.2	0.2	4.0	60.6	-667	77.9	-3.4	-7.2	-4.3	-9.7
Second Quintile	53.6	2.4	1.1	30.4	-357	-13.1	-1.0	10.6	-1.0	6.7
Middle Quintile	53.8	0.2	0.8	22.0	-378	-4.1	0.3	27.2	-0.6	15.1
Fourth Quintile	35.3	0.0	0.5	11.7	-361	-2.0	1.0	30.8	-0.4	19.8
Top Quintile	11.4	8.4	-1.1	-24.8	1,820	3.5	3.2	38.6	0.8	25.0
All	53.4	1.2	0.9	100.0	-355	-5.0	0.0	100.0	-0.7	13.9
Addendum										
80-90	12.8	0.0	0.1	1.1	-130	-0.4	0.7	14.3	-0.1	23.1
90-95	13.0	1.1	0.1	0.4	-159	-0.4	0.3	6.0	-0.1	23.7
95-99	5.8	38.8	-0.7	-3.2	1,644	2.1	0.6	8.1	0.5	24.1
Top 1 Percent	0.1	89.5	-5.0	-23.2	57,536	13.4	1.7	10.3	3.6	30.6
Top 0.1 Percent	0.1	98.5	-6.5	-11.9	365,391	15.7	0.8	4.6	4.6	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	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	8,770	32.3	15,647	-856	16,503	-5.5	10.3	12.7	-3.9
Second Quintile	8,213	30.2	35,755	2,734	33,021	7.7	22.0	23.8	11.6
Middle Quintile	5,633	20.7	58,874	9,268	49,606	15.7	24.9	24.6	26.9
Fourth Quintile	3,130	11.5	91,665	18,526	73,139	20.2	21.5	20.1	29.9
Top Quintile	1,317	4.9	216,103	52,292	163,811	24.2	21.4	19.0	35.5
All	27,175	100.0	49,021	7,144	41,877	14.6	100.0	100.0	100.0
Addendum									
80-90	845	3.1	135,186	31,330	103,856	23.2	8.6	7.7	13.6
90-95	247	0.9	188,332	44,838	143,494	23.8	3.5	3.1	5.7
95-99	187	0.7	332,770	78,492	254,278	23.6	4.7	4.2	7.6
Top 1 Percent	39	0.1	1,587,850	428,635	1,159,215	27.0	4.6	4.0	8.6
Top 0.1 Percent	3	0.0	7,937,589	2,320,953	5,616,637	29.2	1.9	1.6	3.8

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

(1) Calendar year. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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 T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
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	77.2	0.2	4.5	-33.7	-824	66.5	-0.7	-1.8	-4.8	-12.0
Second Quintile	68.2	1.6	1.4	-21.5	-518	-16.3	-0.5	2.3	-1.3	6.6
Middle Quintile	61.5	0.1	0.7	-17.5	-426	-3.7	-0.6	9.4	-0.6	15.3
Fourth Quintile	43.6	0.0	0.5	-18.5	-451	-1.8	-0.8	20.5	-0.4	19.7
Top Quintile	21.3	18.4	-2.1	191.5	5,687	6.1	2.6	69.4	1.6	27.4
All	55.4	3.5	-0.6	100.0	502	2.1	0.0	100.0	0.4	21.4
Addendum										
80-90	29.3	0.1	0.3	-8.0	-448	-1.0	-0.5	16.1	-0.2	23.0
90-95	18.7	4.5	0.1	-1.2	-154	-0.2	-0.3	11.1	-0.1	24.5
95-99	6.6	69.8	-1.7	38.5	6,112	4.8	0.5	17.3	1.3	27.7
Top 1 Percent	1.9	93.9	-6.2	162.2	107,327	15.6	2.9	24.9	4.4	32.8
Top 0.1 Percent	0.2	99.2	-7.0	79.0	552,481	16.7	1.4	11.4	4.9	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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	10,432	20.5	17,171	-1,238	18,409	-7.2	3.1	4.2	-1.1
Second Quintile	10,570	20.8	40,353	3,177	37,176	7.9	7.4	8.7	2.8
Middle Quintile	10,488	20.6	72,386	11,484	60,903	15.9	13.2	14.1	10.0
Fourth Quintile	10,438	20.5	122,710	24,577	98,133	20.0	22.3	22.5	21.3
Top Quintile	8,587	16.9	362,965	93,660	269,305	25.8	54.2	50.9	66.8
All	50,838	100.0	113,062	23,668	89,393	20.9	100.0	100.0	100.0
Addendum									
80-90	4,538	8.9	189,201	43,980	145,220	23.3	14.9	14.5	16.6
90-95	2,056	4.0	270,179	66,426	203,754	24.6	9.7	9.2	11.4
95-99	1,608	3.2	478,067	126,329	351,737	26.4	13.4	12.5	16.9
Top 1 Percent	385	0.8	2,423,697	687,598	1,736,099	28.4	16.3	14.7	22.0
Top 0.1 Percent	36	0.1	11,187,796	3,300,270	7,887,526	29.5	7.1	6.3	10.0

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. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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) 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 T10-0043
Administration's FY2011 Budget Proposals
Major Individual Income Tax Provisions
Baseline: Current Policy
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	5.5	0.0	0.2	-0.6	-27	-9.7	0.0	0.3	-0.2	1.9
Second Quintile	5.0	0.1	0.1	-0.7	-18	-2.2	-0.1	1.5	-0.1	3.1
Middle Quintile	8.1	0.2	0.1	-0.7	-24	-1.1	-0.2	3.2	-0.1	4.9
Fourth Quintile	11.3	0.1	0.1	-1.0	-50	-0.5	-0.6	9.6	-0.1	11.1
Top Quintile	6.6	12.2	-1.8	103.0	4,090	6.3	0.9	85.3	1.4	23.3
All	7.0	2.4	-1.0	100.0	734	5.2	0.0	100.0	0.8	17.2
Addendum										
80-90	7.1	0.0	0.0	-0.5	-42	-0.2	-0.6	11.2	0.0	15.7
90-95	6.2	0.1	0.0	-0.1	-22	-0.1	-0.5	10.2	0.0	18.3
95-99	7.3	28.4	-0.4	6.5	1,091	1.6	-0.7	19.7	0.3	21.4
Top 1 Percent	1.7	79.7	-4.4	97.2	55,657	12.1	2.7	44.3	3.2	29.9
Top 0.1 Percent	0.3	96.4	-6.1	60.5	318,685	14.6	1.9	23.3	4.3	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-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income	Tax Income	Federal Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	5,486	15.6	12,851	273	12,578	2.1	2.3	2.7	0.3
Second Quintile	9,944	28.3	26,105	821	25,284	3.2	8.5	9.8	1.6
Middle Quintile	7,536	21.4	46,194	2,264	43,930	4.9	11.4	12.9	3.4
Fourth Quintile	5,425	15.4	84,549	9,394	75,155	11.1	15.0	15.9	10.2
Top Quintile	6,505	18.5	297,285	65,028	232,257	21.9	63.0	58.9	84.4
All	35,193	100.0	87,173	14,239	72,935	16.3	100.0	100.0	100.0
Addendum									
80-90	2,933	8.3	127,727	20,080	107,647	15.7	12.2	12.3	11.8
90-95	1,593	4.5	183,292	33,577	149,715	18.3	9.5	9.3	10.7
95-99	1,528	4.3	318,053	66,949	251,104	21.1	15.8	15.0	20.4
Top 1 Percent	451	1.3	1,732,517	462,000	1,270,516	26.7	25.5	22.3	41.6
Top 0.1 Percent	49	0.1	7,447,999	2,181,078	5,266,922	29.3	11.9	10.1	21.4

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. Current policy extends the 2009 AMT patch and indexes the AMT exemption, rate bracket threshold, and phaseout exemption threshold for inflation; makes the 2001 and 2003 individual income tax cuts permanent and makes 2009 estate tax law permanent. The proposal would: (a) extend the higher EITC credit value for families with 3 children and higher phase-out thresholds for married couples; (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 the \$3,000 child tax credit refundability threshold; (f) raise the child and dependent care tax credit phase-out threshold to \$85,000; (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; (j) limit value of itemized deductions to 28 percent.

(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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