

Table T10-0170
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Summary Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	0.0	0.4	0.0	0.0	0	0.0	5.4
10-20	0.0	30.8	-0.4	1.5	65	0.4	5.3
20-30	0.0	58.0	-0.9	4.2	217	0.8	10.8
30-40	0.0	77.1	-1.1	5.3	354	1.0	15.0
40-50	0.0	87.6	-1.2	5.5	461	1.0	17.4
50-75	0.0	94.4	-1.3	14.3	678	1.1	19.4
75-100	0.0	97.7	-1.3	12.8	958	1.1	21.3
100-200	0.0	97.6	-1.6	33.4	1,748	1.2	24.1
200-500	0.0	88.7	-1.5	17.6	3,202	1.1	26.6
500-1,000	0.0	78.4	-0.7	3.5	3,605	0.5	28.4
More than 1,000	0.0	81.6	-0.2	2.0	4,133	0.1	33.8
All	0.0	67.2	-1.2	100.0	686	0.9	23.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 2.9

Proposal: 1.2

** This table is part of a series of tables showing the distributional effects of moving incrementally from current policy to current law. For definitions and further information, see "Related Tables: Moving Incrementally from Current Policy to Current Law" at

<http://taxpolicycenter.org/numbers/displayatab.cfm?template=simulation&SimID=367>

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 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) 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 T10-0170
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.4	0.0	0.0	0	0.0	0.0	0.2	0.0	5.4
10-20	0.0	30.8	-0.4	1.5	65	8.5	0.0	0.7	0.4	5.3
20-30	0.0	58.0	-0.9	4.2	217	8.5	0.1	2.1	0.8	10.8
30-40	0.0	77.1	-1.1	5.3	354	7.0	0.1	3.1	1.0	15.0
40-50	0.0	87.6	-1.2	5.5	461	6.0	0.1	3.8	1.0	17.4
50-75	0.0	94.4	-1.3	14.3	678	5.8	0.2	10.2	1.1	19.4
75-100	0.0	97.7	-1.3	12.8	958	5.3	0.1	10.0	1.1	21.3
100-200	0.0	97.6	-1.6	33.4	1,748	5.4	0.3	25.3	1.2	24.1
200-500	0.0	88.7	-1.5	17.6	3,202	4.2	0.0	16.8	1.1	26.6
500-1,000	0.0	78.4	-0.7	3.5	3,605	1.8	-0.2	7.6	0.5	28.4
More than 1,000	0.0	81.6	-0.2	2.0	4,133	0.4	-0.7	20.1	0.1	33.8
All	0.0	67.2	-1.2	100.0	686	4.1	0.0	100.0	0.9	23.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	16,958	10.8	5,723	309	5,414	5.4	0.8	1.0	0.2
10-20	24,305	15.5	15,533	762	14,771	4.9	3.2	3.9	0.7
20-30	21,133	13.4	25,808	2,565	23,243	9.9	4.6	5.3	2.0
30-40	16,074	10.2	36,190	5,061	31,129	14.0	4.9	5.4	3.1
40-50	12,909	8.2	46,615	7,655	38,960	16.4	5.0	5.4	3.7
50-75	22,702	14.4	64,099	11,782	52,317	18.4	12.1	12.8	10.0
75-100	14,431	9.2	90,195	18,206	71,989	20.2	10.9	11.2	9.8
100-200	20,606	13.1	141,257	32,311	108,945	22.9	24.3	24.1	24.9
200-500	5,930	3.8	296,062	75,643	220,419	25.6	14.7	14.0	16.8
500-1,000	1,048	0.7	704,969	196,730	508,240	27.9	6.2	5.7	7.7
More than 1,000	531	0.3	3,114,004	1,049,495	2,064,509	33.7	13.8	11.8	20.9
All	157,348	100.0	76,169	16,966	59,202	22.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 2.9

Proposal: 1.2

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 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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(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 T10-0170
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Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.4	0.0	0.0	0	0.0	0.0	0.9	0.0	8.5
10-20	0.0	45.4	-0.7	5.1	99	7.6	0.1	3.0	0.6	9.1
20-30	0.0	72.4	-1.3	11.2	289	8.4	0.2	6.1	1.1	14.6
30-40	0.0	91.0	-1.3	9.7	372	5.9	0.1	7.3	1.0	18.6
40-50	0.0	96.7	-1.1	8.7	418	4.6	0.0	8.4	0.9	20.7
50-75	0.0	98.0	-1.3	19.7	648	4.7	0.1	18.4	1.0	23.1
75-100	0.0	98.2	-1.7	14.3	1,143	5.3	0.1	11.9	1.3	25.7
100-200	0.0	96.1	-1.8	22.0	1,876	5.3	0.2	18.0	1.4	26.9
200-500	0.0	83.4	-1.2	7.0	2,573	3.1	-0.1	9.8	0.9	28.8
500-1,000	0.0	73.4	-0.6	1.3	2,766	1.3	-0.1	4.4	0.4	31.6
More than 1,000	0.0	75.4	-0.2	0.8	3,127	0.3	-0.5	11.8	0.1	36.7
All	0.0	63.5	-1.2	100.0	418	4.3	0.0	100.0	1.0	22.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- 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
Less than 10	12,161	17.6	5,710	484	5,227	8.5	2.3	2.7	0.9
10-20	14,889	21.6	15,384	1,301	14,083	8.5	7.6	8.9	2.9
20-30	11,204	16.3	25,667	3,459	22,208	13.5	9.5	10.5	5.8
30-40	7,555	11.0	36,120	6,356	29,764	17.6	9.0	9.5	7.2
40-50	6,018	8.7	46,555	9,204	37,351	19.8	9.3	9.5	8.3
50-75	8,766	12.7	63,234	13,948	49,286	22.1	18.3	18.3	18.4
75-100	3,599	5.2	89,193	21,755	67,439	24.4	10.6	10.3	11.8
100-200	3,384	4.9	137,406	35,106	102,300	25.6	15.4	14.7	17.9
200-500	787	1.1	300,163	83,874	216,289	27.9	7.8	7.2	9.9
500-1,000	138	0.2	697,814	218,009	479,804	31.2	3.2	2.8	4.5
More than 1,000	75	0.1	2,972,435	1,087,577	1,884,858	36.6	7.3	6.0	12.2
All	68,932	100.0	43,878	9,646	34,232	22.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 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) 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 T10-0170
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	5.3
10-20	0.0	5.5	0.0	0.0	4	0.8	0.0	0.1	0.0	3.4
20-30	0.0	36.4	-0.4	0.7	102	5.9	0.0	0.5	0.4	7.0
30-40	0.0	52.0	-0.8	1.8	276	8.0	0.0	0.9	0.8	10.3
40-50	0.0	71.2	-1.2	2.8	479	8.7	0.1	1.3	1.0	12.9
50-75	0.0	90.9	-1.3	10.5	735	7.5	0.2	5.6	1.1	16.3
75-100	0.0	97.8	-1.2	11.9	897	5.4	0.1	8.6	1.0	19.3
100-200	0.0	98.5	-1.6	40.7	1,743	5.5	0.5	29.1	1.2	23.5
200-500	0.0	90.8	-1.5	24.1	3,376	4.5	0.1	20.6	1.1	26.3
500-1,000	0.0	79.6	-0.7	4.8	3,771	2.0	-0.2	9.3	0.5	27.9
More than 1,000	0.0	82.9	-0.2	2.7	4,366	0.4	-0.8	23.9	0.1	33.3
All	0.0	76.0	-1.2	100.0	1,129	3.9	0.0	100.0	0.9	24.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,172	3.5	4,766	251	4,516	5.3	0.1	0.2	0.0
10-20	4,097	6.7	16,031	546	15,484	3.4	0.9	1.1	0.1
20-30	4,842	7.9	25,959	1,716	24,244	6.6	1.6	2.0	0.5
30-40	4,391	7.2	36,302	3,443	32,859	9.5	2.1	2.4	0.8
40-50	4,095	6.7	46,760	5,536	41,224	11.8	2.5	2.8	1.3
50-75	9,883	16.1	65,241	9,865	55,376	15.1	8.3	9.2	5.4
75-100	9,149	14.9	90,792	16,662	74,130	18.4	10.7	11.4	8.5
100-200	16,193	26.4	142,545	31,786	110,759	22.3	29.9	30.2	28.6
200-500	4,941	8.1	295,420	74,320	221,100	25.2	18.9	18.4	20.4
500-1,000	876	1.4	706,519	193,577	512,941	27.4	8.0	7.6	9.4
More than 1,000	435	0.7	3,075,014	1,020,672	2,054,342	33.2	17.3	15.1	24.7
All	61,357	100.0	126,020	29,288	96,732	23.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 percent.

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(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0170
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Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.8	0.0	-7.7
10-20	0.0	5.3	0.0	0.3	6	-0.8	0.1	-2.3	0.0	-4.8
20-30	0.0	43.5	-0.6	8.7	153	13.0	0.3	3.9	0.6	5.1
30-40	0.0	77.0	-1.3	18.3	406	9.8	0.4	10.6	1.1	12.6
40-50	0.0	91.3	-1.4	15.7	536	7.5	0.2	11.6	1.2	16.5
50-75	0.0	95.1	-1.1	25.1	587	5.1	-0.1	26.5	0.9	19.1
75-100	0.0	96.4	-1.2	13.6	819	4.4	-0.2	16.6	0.9	21.7
100-200	0.0	89.7	-1.3	14.3	1,360	4.4	-0.2	17.4	1.0	24.1
200-500	0.0	55.8	-0.6	2.5	1,369	1.9	-0.2	6.9	0.5	25.2
500-1,000	0.0	68.4	-0.6	0.9	3,113	1.7	-0.1	2.7	0.5	26.7
More than 1,000	0.0	76.6	-0.2	0.5	3,720	0.4	-0.3	6.8	0.1	34.2
All	0.0	53.3	-1.0	100.0	340	5.4	0.0	100.0	0.8	15.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent Total					Percent of Total	Percent of Total	Percent of Total
Less than 10	2,483	10.1	6,647	-514	7,161	-7.7	1.6	2.0	-0.8
10-20	5,029	20.5	15,579	-745	16,325	-4.8	7.6	9.4	-2.4
20-30	4,757	19.4	25,971	1,180	24,792	4.5	12.1	13.5	3.7
30-40	3,767	15.4	36,157	4,157	32,000	11.5	13.3	13.8	10.2
40-50	2,449	10.0	46,569	7,126	39,444	15.3	11.1	11.1	11.4
50-75	3,559	14.5	63,082	11,448	51,634	18.2	21.9	21.1	26.5
75-100	1,389	5.7	89,214	18,575	70,639	20.8	12.1	11.3	16.8
100-200	877	3.6	132,993	30,738	102,256	23.1	11.4	10.3	17.6
200-500	150	0.6	294,130	72,680	221,450	24.7	4.3	3.8	7.1
500-1,000	24	0.1	686,382	180,096	506,286	26.2	1.6	1.4	2.8
More than 1,000	11	0.0	2,985,055	1,016,347	1,968,708	34.1	3.2	2.5	7.2
All	24,547	100.0	41,760	6,255	35,505	15.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.2	0.0	-11.3
10-20	0.0	2.3	0.0	0.0	3	-0.2	0.0	-0.7	0.0	-8.2
20-30	0.0	32.7	-0.4	1.5	107	14.4	0.0	0.4	0.4	3.3
30-40	0.0	67.5	-1.0	4.0	336	8.7	0.1	1.9	0.9	11.6
40-50	0.0	86.8	-1.3	5.0	533	7.8	0.1	2.6	1.1	15.8
50-75	0.0	93.6	-1.3	12.5	692	6.3	0.2	8.1	1.1	18.3
75-100	0.0	97.6	-1.2	12.2	861	4.9	0.1	10.0	1.0	20.4
100-200	0.0	97.7	-1.5	36.9	1,631	5.1	0.3	28.9	1.2	23.7
200-500	0.0	87.8	-1.5	21.2	3,176	4.2	0.1	19.9	1.1	26.7
500-1,000	0.0	83.7	-0.8	4.5	4,190	2.0	-0.2	8.5	0.6	29.7
More than 1,000	0.0	86.9	-0.2	2.3	4,679	0.4	-0.7	20.5	0.2	34.7
All	0.0	67.8	-1.1	100.0	839	4.0	0.0	100.0	0.9	23.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,968	6.0	6,252	-706	6,958	-11.3	0.4	0.6	-0.2
10-20	5,639	11.5	15,769	-1,291	17,060	-8.2	1.9	2.6	-0.7
20-30	5,683	11.6	25,918	740	25,178	2.9	3.1	3.9	0.4
30-40	4,891	10.0	36,161	3,852	32,310	10.7	3.8	4.3	1.8
40-50	3,849	7.8	46,701	6,821	39,880	14.6	3.8	4.2	2.5
50-75	7,425	15.1	64,368	11,078	53,290	17.2	10.2	10.9	7.9
75-100	5,841	11.9	90,740	17,612	73,128	19.4	11.3	11.7	9.9
100-200	9,319	19.0	142,137	32,002	110,135	22.5	28.2	28.1	28.6
200-500	2,750	5.6	293,742	75,282	218,460	25.6	17.2	16.5	19.9
500-1,000	441	0.9	705,334	204,993	500,341	29.1	6.6	6.1	8.7
More than 1,000	206	0.4	3,105,769	1,073,237	2,032,532	34.6	13.7	11.5	21.2
All	49,155	100.0	95,419	21,222	74,197	22.2	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 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) 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 T10-0170
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Eliminate 10 Percent Bracket and Raise 25 and 28 Percent Tax
Distribution of Federal Tax Change by Cash Income Level, 2012 ¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	3.2
10-20	0.0	13.3	-0.2	1.0	25	6.2	0.0	0.6	0.2	2.8
20-30	0.0	37.1	-0.5	3.6	115	9.6	0.1	1.4	0.5	5.1
30-40	0.0	54.0	-0.6	3.8	212	9.5	0.1	1.6	0.6	6.8
40-50	0.0	63.7	-0.7	3.9	282	7.8	0.1	1.9	0.6	8.3
50-75	0.0	87.5	-1.1	16.0	600	8.5	0.3	7.3	0.9	11.9
75-100	0.0	96.4	-1.2	13.9	914	7.0	0.2	7.6	1.0	15.6
100-200	0.0	97.3	-1.5	31.1	1,720	6.1	0.4	19.3	1.2	21.1
200-500	0.0	88.2	-1.3	20.1	2,946	3.9	0.0	19.2	1.0	25.9
500-1,000	0.0	64.7	-0.5	3.9	2,641	1.4	-0.2	10.5	0.4	27.8
More than 1,000	0.0	71.2	-0.2	2.8	3,454	0.3	-1.0	30.4	0.1	34.3
All	0.0	53.1	-0.9	100.0	541	3.7	0.0	100.0	0.7	20.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2012 ¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	2,305	7.6	6,366	201	6,166	3.2	0.6	0.8	0.1
10-20	6,471	21.2	15,655	407	15,247	2.6	4.4	5.3	0.6
20-30	5,084	16.7	25,560	1,198	24,362	4.7	5.6	6.6	1.4
30-40	2,999	9.8	36,054	2,229	33,826	6.2	4.7	5.4	1.5
40-50	2,259	7.4	46,537	3,598	42,939	7.7	4.5	5.2	1.8
50-75	4,405	14.4	64,489	7,099	57,391	11.0	12.3	13.5	7.0
75-100	2,504	8.2	89,136	13,030	76,105	14.6	9.7	10.2	7.3
100-200	2,986	9.8	141,589	28,188	113,401	19.9	18.3	18.1	18.9
200-500	1,128	3.7	304,121	75,891	228,230	25.0	14.8	13.8	19.2
500-1,000	245	0.8	709,954	194,756	515,198	27.4	7.5	6.8	10.7
More than 1,000	132	0.4	3,095,895	1,058,985	2,036,910	34.2	17.7	14.4	31.4
All	30,543	100.0	75,737	14,589	61,148	19.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

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

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent; restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease); increased tax rates on long-term capital gains (10 percent for tax units in 15 percent bracket, 20 percent for rest) and reduced rates for gains on assets held 5 years or longer; taxation of all dividends as ordinary income; repeal of expansions of the student loan interest deduction, the Earned Income Tax Credit (EITC), the Child and Dependent Care Tax Credit (CDCTC), and the Child Tax Credit (CTC); restoration of marriage penalties by setting the standard deduction and 10 and 15 percent tax brackets for couples filing jointly to 1.67 times those for singles and making the EITC phaseout threshold for couples filing jointly the same as that for singles. Policy is elimination of the 10 percent bracket and the 25 and 28 percent tax rates increased to 28 and 31 percent.

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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.