

**Table T11-0029**  
**Administration's FY2012 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	9.0	1.2	0.1	-0.5	-13	-0.1	2.8
<b>Second Quintile</b>	20.2	5.8	0.2	-1.8	-53	-0.2	9.6
<b>Middle Quintile</b>	23.9	13.6	0.1	-2.0	-62	-0.1	16.2
<b>Fourth Quintile</b>	23.6	24.1	0.0	0.5	19	0.0	19.4
<b>Top Quintile</b>	22.3	34.6	-2.1	103.8	4,502	1.5	27.5
<b>All</b>	18.9	13.6	-1.0	100.0	644	0.8	22.1
<b>Addendum</b>							
<b>80-90</b>	17.9	26.3	-0.1	1.5	132	0.1	22.1
<b>90-95</b>	27.5	24.4	-0.1	0.7	127	0.1	23.4
<b>95-99</b>	31.6	54.0	-1.0	12.4	2,707	0.7	26.2
<b>Top 1 Percent</b>	4.5	91.3	-5.6	89.1	76,558	3.9	34.4
<b>Top 0.1 Percent</b>	0.6	98.5	-6.9	49.0	414,099	4.6	38.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

Number of AMT Taxpayers (millions). Baseline: 5.2

Proposal: 3.7

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two 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% 19,829, 40% 38,180, 60% 66,963, 80% 114,669, 90% 167,030, 95% 236,580, 99% 643,739, 99.9% 2,961,299.

(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 FY2012 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2013<sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	9.0	1.2	0.1	-0.5	-13	-3.9	0.0	0.5	-0.1	2.8
<b>Second Quintile</b>	20.2	5.8	0.2	-1.8	-53	-1.8	-0.2	3.6	-0.2	9.6
<b>Middle Quintile</b>	23.9	13.6	0.1	-2.0	-62	-0.7	-0.5	10.0	-0.1	16.2
<b>Fourth Quintile</b>	23.6	24.1	0.0	0.5	19	0.1	-0.6	17.1	0.0	19.4
<b>Top Quintile</b>	22.3	34.6	-2.1	103.8	4,502	5.9	1.3	68.7	1.5	27.5
<b>All</b>	18.9	13.6	-1.0	100.0	644	3.8	0.0	100.0	0.8	22.1
<b>Addendum</b>										
<b>80-90</b>	17.9	26.3	-0.1	1.5	132	0.4	-0.5	13.4	0.1	22.1
<b>90-95</b>	27.5	24.4	-0.1	0.7	127	0.3	-0.4	10.0	0.1	23.4
<b>95-99</b>	31.6	54.0	-1.0	12.4	2,707	2.9	-0.1	16.2	0.7	26.2
<b>Top 1 Percent</b>	4.5	91.3	-5.6	89.1	76,558	12.7	2.3	29.1	3.9	34.4
<b>Top 0.1 Percent</b>	0.6	98.5	-6.9	49.0	414,099	13.7	1.3	14.9	4.6	38.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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
<b>Lowest Quintile</b>	40,401	25.3	11,561	332	11,229	2.9	3.7	4.6	0.5
<b>Second Quintile</b>	35,545	22.3	29,518	2,882	26,636	9.8	8.3	9.5	3.8
<b>Middle Quintile</b>	32,339	20.3	53,265	8,701	44,564	16.3	13.6	14.4	10.4
<b>Fourth Quintile</b>	27,031	16.9	91,335	17,715	73,620	19.4	19.5	20.0	17.8
<b>Top Quintile</b>	23,705	14.9	295,351	76,702	218,649	26.0	55.2	52.0	67.4
<b>All</b>	159,683	100.0	79,379	16,896	62,484	21.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	11,940	7.5	142,598	31,381	111,217	22.0	13.4	13.3	13.9
<b>90-95</b>	5,860	3.7	204,431	47,703	156,728	23.3	9.5	9.2	10.4
<b>95-99</b>	4,707	3.0	366,652	93,397	273,255	25.5	13.6	12.9	16.3
<b>Top 1 Percent</b>	1,197	0.8	1,983,475	604,997	1,378,477	30.5	18.7	16.5	26.9
<b>Top 0.1 Percent</b>	122	0.1	9,019,082	3,028,194	5,990,888	33.6	8.7	7.3	13.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).  
 Number of AMT Taxpayers (millions). Baseline: 5.2 Proposal: 3.7

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two 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% 19,829, 40% 38,180, 60% 66,963, 80% 114,669, 90% 167,030, 95% 236,580, 99% 643,739, 99.9% 2,961,299.

(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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**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	7.8	1.0	0.1	-0.3	-8	4.6	0.0	-0.2	-0.1	-1.6
Second Quintile	21.2	3.3	0.3	-2.0	-63	-2.9	-0.2	2.4	-0.2	7.7
Middle Quintile	24.6	11.5	0.2	-2.2	-70	-1.0	-0.4	7.9	-0.2	14.8
Fourth Quintile	21.9	23.6	0.0	0.3	10	0.1	-0.6	16.4	0.0	18.9
Top Quintile	20.2	31.0	-1.9	104.1	3,533	5.5	1.2	73.4	1.4	27.3
All	18.9	13.6	-1.0	100.0	644	3.8	0.0	100.0	0.8	22.1
<b>Addendum</b>										
80-90	18.8	23.8	-0.1	1.3	85	0.3	-0.5	14.7	0.1	22.3
90-95	23.3	22.2	-0.1	0.8	107	0.3	-0.4	11.2	0.1	23.6
95-99	23.5	46.6	-0.9	12.4	2,127	2.7	-0.2	17.3	0.7	26.0
Top 1 Percent	4.6	89.2	-5.3	89.7	63,851	12.3	2.3	30.1	3.7	33.9
Top 0.1 Percent	2.8	96.0	-6.7	50.1	356,934	13.5	1.3	15.4	4.5	37.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	33,459	21.0	10,833	-166	11,000	-1.5	2.9	3.7	-0.2	
Second Quintile	32,885	20.6	26,816	2,127	24,689	7.9	7.0	8.1	2.6	
Middle Quintile	31,869	20.0	47,152	7,039	40,113	14.9	11.9	12.8	8.3	
Fourth Quintile	30,496	19.1	79,522	15,026	64,497	18.9	19.1	19.7	17.0	
Top Quintile	30,312	19.0	248,646	64,246	184,400	25.8	59.5	56.0	72.2	
All	159,683	100.0	79,379	16,896	62,484	21.3	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	15,281	9.6	121,325	26,925	94,399	22.2	14.6	14.5	15.3	
90-95	7,600	4.8	174,872	41,114	133,758	23.5	10.5	10.2	11.6	
95-99	5,988	3.8	311,732	78,767	232,964	25.3	14.7	14.0	17.5	
Top 1 Percent	1,444	0.9	1,722,207	520,558	1,201,649	30.2	19.6	17.4	27.9	
Top 0.1 Percent	144	0.1	7,944,556	2,639,811	5,304,746	33.2	9.0	7.7	14.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).  
 Number of AMT Taxpayers (millions). Baseline: 5.2 Proposal: 3.7

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two brackets.

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(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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**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) (Points)	Under the Proposal	Change (%) (Points)	Under the Proposal
<b>Lowest Quintile</b>	8.9	0.4	0.1	-1.3	-9	-1.9	-0.1	1.2	-0.1	5.6
<b>Second Quintile</b>	15.9	3.4	0.2	-4.9	-39	-1.9	-0.2	4.7	-0.2	9.8
<b>Middle Quintile</b>	19.5	11.4	0.2	-5.3	-46	-0.8	-0.3	12.3	-0.1	16.5
<b>Fourth Quintile</b>	17.6	18.3	0.0	-1.7	-18	-0.2	-0.4	20.7	0.0	20.9
<b>Top Quintile</b>	13.3	24.2	-1.3	113.1	1,489	3.6	1.0	61.0	0.9	27.1
<b>All</b>	14.7	9.6	-0.5	100.0	181	1.9	0.0	100.0	0.4	21.4
<b>Addendum</b>										
<b>80-90</b>	13.8	18.9	0.0	1.1	26	0.1	-0.3	15.6	0.0	23.8
<b>90-95</b>	11.1	18.1	-0.1	1.6	87	0.3	-0.2	10.5	0.1	24.7
<b>95-99</b>	16.5	34.3	-0.4	8.5	597	1.1	-0.1	14.2	0.3	25.0
<b>Top 1 Percent</b>	3.4	88.3	-4.6	101.9	36,068	10.0	1.5	20.8	3.1	34.3
<b>Top 0.1 Percent</b>	1.0	97.5	-6.7	61.0	243,916	12.1	1.0	10.5	4.3	39.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	
<b>Lowest Quintile</b>	18,053	25.6	8,179	471	7,709	5.8	4.6	5.5	1.3	
<b>Second Quintile</b>	16,001	22.7	20,442	2,051	18,391	10.0	10.2	11.6	4.9	
<b>Middle Quintile</b>	14,578	20.7	35,077	5,831	29,247	16.6	16.0	16.9	12.6	
<b>Fourth Quintile</b>	11,876	16.8	57,277	11,979	45,298	20.9	21.2	21.3	21.1	
<b>Top Quintile</b>	9,681	13.7	159,815	41,830	117,985	26.2	48.3	45.2	60.1	
<b>All</b>	70,516	100.0	45,439	9,563	35,876	21.1	100.0	100.0	100.0	
<b>Addendum</b>										
<b>80-90</b>	5,163	7.3	87,005	20,688	66,317	23.8	14.0	13.5	15.8	
<b>90-95</b>	2,344	3.3	124,519	30,684	93,835	24.6	9.1	8.7	10.7	
<b>95-99</b>	1,814	2.6	215,516	53,291	162,225	24.7	12.2	11.6	14.3	
<b>Top 1 Percent</b>	360	0.5	1,152,428	359,615	792,813	31.2	13.0	11.3	19.2	
<b>Top 0.1 Percent</b>	32	0.1	5,673,795	2,010,792	3,663,003	35.4	5.7	4.6	9.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

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(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 - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	5.6	0.7	0.0	0.0	-4	2.1	0.0	-0.1	0.0	-1.4
<b>Second Quintile</b>	20.8	3.1	0.2	-0.6	-56	-2.2	-0.1	1.2	-0.2	7.2
<b>Middle Quintile</b>	26.0	12.6	0.1	-0.8	-62	-0.8	-0.3	4.9	-0.1	13.4
<b>Fourth Quintile</b>	24.1	29.4	-0.1	0.9	50	0.3	-0.6	13.8	0.1	17.8
<b>Top Quintile</b>	23.1	35.3	-2.1	100.6	4,615	6.0	1.0	80.1	1.6	27.3
<b>All</b>	21.5	20.9	-1.4	100.0	1,405	4.8	0.0	100.0	1.1	23.4
<b>Addendum</b>										
<b>80-90</b>	21.2	27.7	-0.1	1.4	133	0.4	-0.6	14.5	0.1	21.6
<b>90-95</b>	28.3	24.4	-0.1	0.7	118	0.3	-0.5	12.0	0.1	23.2
<b>95-99</b>	25.6	52.6	-1.1	13.0	2,882	3.2	-0.3	19.3	0.8	26.2
<b>Top 1 Percent</b>	5.0	89.3	-5.4	85.5	72,411	12.7	2.4	34.3	3.8	33.7
<b>Top 0.1 Percent</b>	3.5	95.4	-6.7	46.1	383,934	13.8	1.4	17.2	4.5	37.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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
<b>Lowest Quintile</b>	7,024	11.4	14,231	-195	14,425	-1.4	1.2	1.6	-0.1
<b>Second Quintile</b>	8,856	14.4	34,357	2,532	31,825	7.4	3.7	4.4	1.2
<b>Middle Quintile</b>	11,443	18.6	60,965	8,208	52,757	13.5	8.5	9.5	5.2
<b>Fourth Quintile</b>	15,130	24.6	97,772	17,380	80,392	17.8	18.1	19.2	14.4
<b>Top Quintile</b>	18,854	30.6	297,727	76,516	221,211	25.7	68.7	65.7	79.1
<b>All</b>	61,567	100.0	132,758	29,611	103,147	22.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	9,003	14.6	142,540	30,715	111,824	21.6	15.7	15.9	15.2
<b>90-95</b>	4,921	8.0	200,289	46,376	153,912	23.2	12.1	11.9	12.5
<b>95-99</b>	3,909	6.4	359,028	91,326	267,701	25.4	17.2	16.5	19.6
<b>Top 1 Percent</b>	1,021	1.7	1,900,519	568,764	1,331,755	29.9	23.8	21.4	31.9
<b>Top 0.1 Percent</b>	104	0.2	8,491,806	2,780,603	5,711,204	32.7	10.8	9.4	15.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two 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% 13,627, 40% 25,365, 60% 42,896, 80% 70,063, 90% 101,583, 95% 145,293, 99% 386,366, 99.9% 1,826,435.

(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 T11-0029**  
**Administration's FY2012 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	7.1	2.7	0.1	-284.1	-8	0.5	0.0	-9.0	-0.1	-11.6
Second Quintile	32.9	3.2	0.4	-3,983.7	-122	-7.0	-0.6	8.5	-0.4	5.1
Middle Quintile	36.4	9.8	0.4	-3,517.4	-158	-2.0	-0.6	27.3	-0.3	14.8
Fourth Quintile	29.0	17.7	0.1	-1,066.3	-87	-0.6	-0.2	30.5	-0.1	19.5
Top Quintile	30.5	19.1	-1.2	8,951.5	1,638	3.5	1.4	42.7	0.9	25.9
All	24.6	6.8	0.0	100.0	1	0.0	0.0	100.0	0.0	13.4
<b>Addendum</b>										
80-90	25.1	14.6	0.0	-116.5	-34	-0.1	0.0	14.9	0.0	23.0
90-95	38.1	15.2	0.0	16.9	16	0.0	0.0	6.6	0.0	23.8
95-99	48.8	30.9	-0.5	906.2	1,161	1.7	0.1	9.0	0.4	24.5
Top 1 Percent	7.7	91.2	-5.3	8,144.8	54,751	12.0	1.3	12.3	3.7	34.0
Top 0.1 Percent	1.0	98.6	-6.8	4,216.0	344,580	13.6	0.7	5.7	4.5	37.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	8,120	32.4	13,842	-1,598	15,440	-11.6	10.4	13.4	-9.0	
Second Quintile	7,619	30.4	31,582	1,734	29,847	5.5	22.2	24.3	9.2	
Middle Quintile	5,177	20.6	51,476	7,774	43,702	15.1	24.6	24.1	27.9	
Fourth Quintile	2,860	11.4	78,894	15,492	63,402	19.6	20.9	19.3	30.7	
Top Quintile	1,273	5.1	187,085	46,775	140,310	25.0	22.0	19.1	41.2	
All	25,098	100.0	43,104	5,755	37,349	13.4	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	808	3.2	115,728	26,659	89,069	23.0	8.7	7.7	14.9	
90-95	249	1.0	161,060	38,229	122,831	23.7	3.7	3.3	6.6	
95-99	182	0.7	289,763	69,946	219,818	24.1	4.9	4.3	8.8	
Top 1 Percent	35	0.1	1,499,445	455,722	1,043,723	30.4	4.8	3.9	10.9	
Top 0.1 Percent	3	0.0	7,613,791	2,534,198	5,079,593	33.3	2.0	1.5	5.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

(1) Calendar year. Baseline is current policy, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two 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% 13,627, 40% 25,365, 60% 42,896, 80% 70,063, 90% 101,583, 95% 145,293, 99% 386,366, 99.9% 1,826,435.

(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 T11-0029**  
**Administration's FY2012 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	7.0	2.8	0.0	-0.2	-7	0.4	0.1	-2.0	-0.1	-13.6
<b>Second Quintile</b>	33.5	3.6	0.4	-2.9	-118	-6.2	-0.2	1.7	-0.3	5.0
<b>Middle Quintile</b>	37.9	13.5	0.3	-3.2	-132	-1.4	-0.5	9.2	-0.2	15.1
<b>Fourth Quintile</b>	31.1	24.2	0.0	-0.5	-23	-0.1	-0.8	18.8	0.0	19.4
<b>Top Quintile</b>	30.6	34.3	-2.3	106.8	5,496	6.3	1.5	72.1	1.7	28.5
<b>All</b>	27.8	14.7	-1.1	100.0	867	4.2	0.0	100.0	0.9	21.7
<b>Addendum</b>										
<b>80-90</b>	25.7	23.9	0.0	0.4	40	0.1	-0.6	15.1	0.0	22.9
<b>90-95</b>	48.6	19.7	0.0	-0.1	-27	-0.1	-0.4	10.5	0.0	24.1
<b>95-99</b>	27.9	66.1	-1.6	19.2	5,123	4.5	0.1	17.8	1.2	27.9
<b>Top 1 Percent</b>	2.8	96.3	-6.4	87.3	97,733	13.9	2.4	28.7	4.4	35.9
<b>Top 0.1 Percent</b>	0.2	99.4	-7.2	42.8	510,700	14.2	1.2	13.8	4.8	38.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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
<b>Lowest Quintile</b>	10,404	21.1	15,026	-2,032	17,059	-13.5	3.2	4.6	-2.1
<b>Second Quintile</b>	10,419	21.1	35,671	1,902	33,770	5.3	7.6	9.0	1.9
<b>Middle Quintile</b>	10,279	20.8	63,686	9,717	53,969	15.3	13.3	14.3	9.7
<b>Fourth Quintile</b>	9,803	19.9	106,014	20,556	85,458	19.4	21.1	21.5	19.6
<b>Top Quintile</b>	8,309	16.8	325,807	87,211	238,595	26.8	55.1	51.0	70.6
<b>All</b>	49,348	100.0	99,630	20,790	78,840	20.9	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	4,326	8.8	162,746	37,146	125,600	22.8	14.3	14.0	15.7
<b>90-95</b>	1,997	4.1	233,966	56,436	177,530	24.1	9.5	9.1	11.0
<b>95-99</b>	1,604	3.3	425,182	113,583	311,600	26.7	13.9	12.9	17.8
<b>Top 1 Percent</b>	382	0.8	2,235,730	704,488	1,531,241	31.5	17.4	15.0	26.2
<b>Top 0.1 Percent</b>	36	0.1	10,656,644	3,599,393	7,057,252	33.8	7.8	6.5	12.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

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, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two 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>

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(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 T11-0029**  
**Administration's FY2012 Budget Proposals**  
**Major Individual Income Tax Provisions**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.9	0.1	0.0	0.0	-1	-0.2	0.0	0.3	0.0	2.3
Second Quintile	3.4	1.4	0.0	-0.1	-3	-0.4	-0.1	1.6	0.0	3.8
Middle Quintile	5.0	10.8	-0.1	0.5	20	0.8	-0.2	3.3	0.1	5.9
Fourth Quintile	8.9	40.8	-0.3	4.0	177	2.2	-0.3	9.8	0.2	11.2
Top Quintile	10.5	42.0	-2.0	95.6	4,173	6.4	0.6	84.9	1.6	25.7
All	5.6	17.4	-1.2	100.0	792	5.7	0.0	100.0	1.0	18.9
<b>Addendum</b>										
80-90	9.5	38.5	-0.4	4.0	393	2.3	-0.3	9.6	0.4	16.1
90-95	8.9	32.1	-0.3	2.2	397	1.3	-0.4	9.2	0.3	18.9
95-99	15.7	45.8	-0.6	6.9	1,260	2.0	-0.7	18.9	0.5	23.0
Top 1 Percent	5.5	85.3	-4.5	82.5	50,101	10.3	2.0	47.2	3.2	33.6
Top 0.1 Percent	1.6	97.0	-6.3	51.9	292,793	12.3	1.5	25.4	4.2	37.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2013<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	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	5,313	17.0	10,822	248	10,575	2.3	2.4	2.8	0.3	
Second Quintile	8,515	27.2	22,986	876	22,110	3.8	8.0	9.4	1.7	
Middle Quintile	6,190	19.8	41,540	2,448	39,092	5.9	10.5	12.0	3.5	
Fourth Quintile	5,603	17.9	72,670	7,944	64,726	10.9	16.6	18.1	10.2	
Top Quintile	5,686	18.2	269,484	64,974	204,510	24.1	62.6	57.9	84.3	
All	31,333	100.0	78,111	13,985	64,126	17.9	100.0	100.0	100.0	
<b>Addendum</b>										
80-90	2,520	8.0	109,880	17,299	92,581	15.7	11.3	11.6	10.0	
90-95	1,400	4.5	159,960	29,890	130,070	18.7	9.2	9.1	9.6	
95-99	1,357	4.3	281,390	63,346	218,043	22.5	15.6	14.7	19.6	
Top 1 Percent	409	1.3	1,589,526	484,615	1,104,911	30.5	26.5	22.5	45.2	
Top 0.1 Percent	44	0.1	7,053,610	2,377,870	4,675,741	33.7	12.7	10.2	23.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).  
 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, which assumes that all the temporary provisions in place for calendar year 2011 are extended, with the exception of the payroll tax cut, and indexes the AMT exemption level after 2011. Proposal would a) index the parameters of the AMT to inflation after 2011 and allow non-refundable credits against tentative AMT; b) extend parts of the 2001 and 2003 tax cuts, including marriage penalty relief, the 10, 15, 25, 28 and a portion of the 33 percent brackets, and the 0%/15% rate structure on capital gains and qualified dividends for taxpayers in those brackets; c) set the threshold for the 36 percent bracket at \$200,000 (single), \$250,000 (married), or \$225,000 (head of household), indexed for inflation after 2009, less the standard deduction and one personal exemption (two if married); d) set the thresholds for PEP and Pease at \$250,000 of AGI (married) and \$200,000 (single), indexed for inflation after 2009; e) tax capital gains and qualified dividends at 20% for taxpayers in the top two brackets and repeal the 8%/18% rates for assets held more than 5 years; f) extend the \$1,000 child tax credit, \$3,000 (not indexed) refundability threshold, and allow against the AMT; g) extend the American Opportunity Tax Credit; h) extend the EITC's 45% phase-in rate for families with 3 or more children and higher phase-out thresholds for married couples; i) extend the maximum credit amount for the child and dependent care tax credit and increase the phase-out threshold to \$75,000 (not indexed); j) provide automatic enrollment in IRAs; k) limit itemized deductions to 28% for taxpayers in the top two brackets.

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(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.