

Table T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2012 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	0.0	0.0	0.0	0.0	0	0.0	2.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	9.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	15.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	18.9
Top Quintile	0.0	11.1	-0.3	100.0	568	0.2	25.1
All	0.0	1.7	-0.1	100.0	84	0.1	20.6
Addendum							
80-90	0.0	0.0	0.0	0.0	0	0.0	21.4
90-95	0.0	0.4	0.0	0.1	2	0.0	22.8
95-99	0.1	34.1	-0.2	16.7	475	0.1	24.7
Top 1 Percent	0.1	82.7	-0.7	83.2	9,296	0.5	29.3
Top 0.1 Percent	0.0	93.9	-0.9	45.2	49,932	0.6	32.0

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

Number of AMT Taxpayers (millions). Baseline: 4.7

Proposal: 4.5

(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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$19,180, 40% \$36,929, 60% \$64,310, 80% \$109,750, 90% \$159,830, 95% \$226,459, 99% \$601,248, 99.9% \$2,739,880.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2012 ¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	2.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.8	0.0	9.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.6	0.0	15.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	18.0	0.0	18.9
Top Quintile	0.0	11.1	-0.3	100.0	568	0.8	0.2	67.0	0.2	25.1
All	0.0	1.7	-0.1	100.0	84	0.6	0.0	100.0	0.1	20.6
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	14.0	0.0	21.4
90-95	0.0	0.4	0.0	0.1	2	0.0	-0.1	10.5	0.0	22.8
95-99	0.1	34.1	-0.2	16.7	475	0.6	0.0	16.4	0.1	24.7
Top 1 Percent	0.1	82.7	-0.7	83.2	9,296	1.8	0.3	26.1	0.5	29.3
Top 0.1 Percent	0.0	93.9	-0.9	45.2	49,932	1.9	0.2	13.2	0.6	32.0

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

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 Federal
	Number (thousands)	Percent of Total					Pre-Tax	Tax Income	Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	39,758	25.3	11,009	288	10,721	2.6	3.7	4.6	0.5
Second Quintile	34,994	22.2	28,231	2,625	25,607	9.3	8.4	9.6	3.8
Middle Quintile	31,866	20.3	50,823	8,045	42,778	15.8	13.7	14.5	10.6
Fourth Quintile	26,607	16.9	86,565	16,375	70,190	18.9	19.5	19.9	18.1
Top Quintile	23,400	14.9	276,554	68,868	207,686	24.9	54.9	51.8	66.9
All	157,348	100.0	74,905	15,319	59,587	20.5	100.0	100.0	100.0
Addendum									
80-90	11,748	7.5	134,967	28,933	106,034	21.4	13.5	13.3	14.1
90-95	5,794	3.7	193,464	44,045	149,420	22.8	9.5	9.2	10.6
95-99	4,667	3.0	343,481	84,447	259,034	24.6	13.6	12.9	16.4
Top 1 Percent	1,190	0.8	1,815,859	522,714	1,293,146	28.8	18.3	16.4	25.8
Top 0.1 Percent	120	0.1	8,314,540	2,610,229	5,704,311	31.4	8.5	7.3	13.0

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

Number of AMT Taxpayers (millions). Baseline: 4.7 Proposal: 4.5

(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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$19,180, 40% \$36,929, 60% \$64,310, 80% \$109,750, 90% \$159,830, 95% \$226,459, 99% \$601,248, 99.9% \$2,739,880.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.3	0.0	-2.1
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.5	0.0	7.4
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.5	0.0	14.6
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.2	0.0	18.4
Top Quintile	0.0	8.7	-0.3	100.0	443	0.8	0.2	72.0	0.2	25.0
All	0.0	1.7	-0.1	100.0	84	0.6	0.0	100.0	0.1	20.6
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.5	0.0	21.6
90-95	0.0	0.1	0.0	0.0	1	0.0	-0.1	11.7	0.0	23.0
95-99	0.0	24.7	-0.2	16.0	359	0.5	0.0	17.6	0.1	24.6
Top 1 Percent	0.1	78.0	-0.7	83.9	7,745	1.7	0.3	27.2	0.5	29.0
Top 0.1 Percent	0.0	91.6	-0.9	46.5	43,355	1.9	0.2	13.7	0.6	31.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	32,956	21.0	10,304	-213	10,517	-2.1	2.9	3.7	-0.3
Second Quintile	32,298	20.5	25,653	1,904	23,750	7.4	7.0	8.2	2.6
Middle Quintile	31,371	19.9	45,018	6,552	38,466	14.6	12.0	12.9	8.5
Fourth Quintile	30,010	19.1	75,458	13,873	61,585	18.4	19.2	19.7	17.3
Top Quintile	29,990	19.1	232,573	57,703	174,870	24.8	59.2	55.9	71.8
All	157,348	100.0	74,905	15,319	59,587	20.5	100.0	100.0	100.0
Addendum									
80-90	15,135	9.6	114,512	24,784	89,728	21.6	14.7	14.5	15.6
90-95	7,483	4.8	165,572	38,003	127,569	23.0	10.5	10.2	11.8
95-99	5,931	3.8	292,632	71,526	221,106	24.4	14.7	14.0	17.6
Top 1 Percent	1,440	0.9	1,573,914	449,033	1,124,880	28.5	19.2	17.3	26.8
Top 0.1 Percent	142	0.1	7,329,769	2,286,501	5,043,268	31.2	8.9	7.7	13.5

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

Number of AMT Taxpayers (millions). Baseline: 4.7

Proposal: 4.5

(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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	1.3	0.0	5.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.0	0.0	10.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	0.0	16.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	21.0	0.0	20.3
Top Quintile	0.0	4.3	-0.2	100.0	179	0.5	0.1	59.9	0.1	25.3
All	0.0	0.6	-0.1	100.0	25	0.3	0.0	100.0	0.1	20.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	16.1	0.0	23.2
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	10.7	0.0	24.0
95-99	0.0	8.6	0.0	6.7	64	0.1	0.0	14.3	0.0	24.0
Top 1 Percent	0.1	70.7	-0.6	93.3	4,401	1.4	0.2	18.8	0.4	29.9
Top 0.1 Percent	0.1	90.4	-0.8	54.2	29,305	1.7	0.1	9.2	0.6	33.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

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 Federal
	Number (thousands)	Percent of Total					Pre- Tax Income Percent of Total	Tax Income Percent of Total	Taxes Percent of Total
Lowest Quintile	17,734	25.7	7,750	441	7,309	5.7	4.6	5.5	1.3
Second Quintile	15,487	22.5	19,496	1,957	17,539	10.0	10.2	11.5	5.0
Middle Quintile	14,189	20.6	33,408	5,467	27,941	16.4	16.0	16.8	12.8
Fourth Quintile	11,566	16.8	54,268	11,026	43,242	20.3	21.1	21.2	21.0
Top Quintile	9,598	13.9	149,929	37,797	112,132	25.2	48.4	45.5	59.8
All	68,932	100.0	43,096	8,802	34,294	20.4	100.0	100.0	100.0
Addendum									
80-90	5,136	7.5	82,035	19,048	62,987	23.2	14.2	13.7	16.1
90-95	2,305	3.3	117,537	28,174	89,364	24.0	9.1	8.7	10.7
95-99	1,791	2.6	202,821	48,564	154,257	23.9	12.2	11.7	14.3
Top 1 Percent	365	0.5	1,050,571	309,648	740,923	29.5	12.9	11.4	18.6
Top 0.1 Percent	32	0.1	5,213,675	1,729,548	3,484,128	33.2	5.6	4.7	9.1

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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-2.1
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	6.7
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.3	0.0	13.1
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	14.8	0.0	17.3
Top Quintile	0.0	11.0	-0.3	100.0	582	0.9	0.1	78.7	0.2	24.9
All	0.0	3.4	-0.2	100.0	177	0.7	0.0	100.0	0.1	21.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.3	0.0	21.0
90-95	0.0	0.1	0.0	0.0	1	0.0	-0.1	12.7	0.0	22.6
95-99	0.1	31.9	-0.2	17.9	501	0.6	0.0	19.7	0.2	24.8
Top 1 Percent	0.1	80.5	-0.7	82.0	8,772	1.8	0.3	31.0	0.5	28.8
Top 0.1 Percent	0.0	92.0	-0.9	43.9	46,556	1.9	0.2	15.4	0.6	31.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

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 Federal
	Number (thousands)	Percent of Total					Pre-	Post-	Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	7,026	11.5	13,543	-284	13,827	-2.1	1.3	1.6	-0.1
Second Quintile	8,845	14.4	32,807	2,212	30,595	6.7	3.8	4.5	1.2
Middle Quintile	11,468	18.7	58,062	7,600	50,462	13.1	8.7	9.7	5.4
Fourth Quintile	15,083	24.6	92,463	16,035	76,428	17.3	18.3	19.3	14.8
Top Quintile	18,652	30.4	278,353	68,638	209,715	24.7	68.2	65.3	78.6
All	61,357	100.0	124,139	26,554	97,585	21.4	100.0	100.0	100.0
Addendum									
80-90	8,897	14.5	134,726	28,275	106,451	21.0	15.7	15.8	15.4
90-95	4,856	7.9	189,698	42,947	146,750	22.6	12.1	11.9	12.8
95-99	3,884	6.3	336,279	82,731	253,548	24.6	17.2	16.5	19.7
Top 1 Percent	1,015	1.7	1,740,354	491,584	1,248,771	28.3	23.2	21.2	30.6
Top 0.1 Percent	102	0.2	7,859,286	2,418,316	5,440,971	30.8	10.6	9.3	15.2

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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-10.5	0.0	-12.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	8.1	0.0	4.5
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	28.6	0.0	14.6
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	31.3	0.0	19.0
Top Quintile	0.0	4.9	-0.2	100.0	197	0.5	0.1	42.4	0.1	24.3
All	0.0	0.3	0.0	100.0	10	0.2	0.0	100.0	0.0	12.5
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	15.8	0.0	22.7
90-95	0.0	0.0	0.0	0.0	0	0.0	0.0	6.5	0.0	23.0
95-99	0.0	18.9	-0.1	15.3	209	0.3	0.0	9.1	0.1	23.4
Top 1 Percent	0.0	79.7	-0.6	84.7	6,212	1.5	0.1	11.0	0.4	29.3
Top 0.1 Percent	0.0	92.8	-0.7	41.8	35,540	1.6	0.1	5.1	0.5	31.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

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 Federal
	Number (thousands)	Percent of Total					Tax Income	Tax Income	Taxes
							Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	7,925	32.3	13,191	-1,658	14,849	-12.6	10.5	13.5	-10.5
Second Quintile	7,543	30.7	30,039	1,347	28,692	4.5	22.7	24.8	8.1
Middle Quintile	5,024	20.5	48,909	7,133	41,776	14.6	24.6	24.0	28.7
Fourth Quintile	2,757	11.2	74,627	14,212	60,416	19.0	20.6	19.1	31.4
Top Quintile	1,245	5.1	175,329	42,401	132,928	24.2	21.8	18.9	42.3
All	24,547	100.0	40,709	5,089	35,620	12.5	100.0	100.0	100.0
Addendum									
80-90	802	3.3	109,022	24,699	84,323	22.7	8.8	7.7	15.9
90-95	231	0.9	152,758	35,180	117,578	23.0	3.5	3.1	6.5
95-99	178	0.7	272,489	63,453	209,035	23.3	4.9	4.3	9.1
Top 1 Percent	33	0.1	1,404,595	404,950	999,645	28.8	4.7	3.8	10.8
Top 0.1 Percent	3	0.0	6,980,731	2,189,848	4,790,883	31.4	2.0	1.6	5.1

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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.4	0.0	-14.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	4.2
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.0	0.0	14.8
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	20.0	0.0	18.8
Top Quintile	0.0	13.9	-0.3	100.0	693	0.9	0.2	70.6	0.2	25.9
All	0.0	2.3	-0.2	100.0	116	0.6	0.0	100.0	0.1	20.0
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	16.0	0.0	22.2
90-95	0.0	0.4	0.0	0.1	3	0.0	-0.1	11.4	0.0	23.5
95-99	0.0	51.3	-0.3	25.0	909	0.9	0.1	17.7	0.2	26.0
Top 1 Percent	0.0	89.8	-0.8	74.9	11,491	1.9	0.3	25.6	0.6	30.5
Top 0.1 Percent	0.0	96.4	-0.9	36.1	57,300	1.8	0.2	12.4	0.6	32.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	10,364	21.1	14,277	-2,087	16,364	-14.6	3.2	4.6	-2.4
Second Quintile	10,406	21.2	33,992	1,429	32,563	4.2	7.7	9.2	1.6
Middle Quintile	10,236	20.8	60,658	8,945	51,713	14.8	13.5	14.4	10.0
Fourth Quintile	9,744	19.8	100,435	18,918	81,516	18.8	21.3	21.6	20.2
Top Quintile	8,256	16.8	303,594	78,056	225,538	25.7	54.5	50.6	70.5
All	49,155	100.0	93,484	18,610	74,874	19.9	100.0	100.0	100.0
Addendum									
80-90	4,301	8.8	153,828	34,134	119,693	22.2	14.4	14.0	16.1
90-95	2,010	4.1	221,076	52,005	169,072	23.5	9.7	9.2	11.4
95-99	1,572	3.2	397,710	102,625	295,085	25.8	13.6	12.6	17.6
Top 1 Percent	373	0.8	2,079,222	621,560	1,457,662	29.9	16.9	14.8	25.3
Top 0.1 Percent	36	0.1	9,788,321	3,108,239	6,680,081	31.8	7.7	6.5	12.3

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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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 T11-0043
Administration's FY2012 Budget Proposals
Limit Itemized Deductions to 28 Percent
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	3.7
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.4	0.0	5.6
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.2	0.0	10.5
Top Quintile	0.0	9.0	-0.3	100.0	522	0.9	0.1	84.4	0.2	23.0
All	0.0	1.7	-0.2	100.0	99	0.8	0.0	100.0	0.1	17.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.1	0.0	15.3
90-95	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.8	0.0	18.1
95-99	0.0	15.1	-0.1	6.6	142	0.3	-0.1	20.7	0.1	21.8
Top 1 Percent	0.1	70.5	-0.7	93.4	6,502	1.7	0.4	43.8	0.5	28.7
Top 0.1 Percent	0.0	91.5	-1.0	61.2	43,580	2.1	0.3	22.4	0.7	32.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

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	5,008	16.4	10,286	238	10,048	2.3	2.2	2.6	0.3
Second Quintile	8,050	26.4	21,909	799	21,111	3.7	7.6	8.9	1.6
Middle Quintile	6,057	19.8	39,709	2,236	37,472	5.6	10.4	11.9	3.4
Fourth Quintile	5,599	18.3	68,620	7,198	61,422	10.5	16.7	18.0	10.3
Top Quintile	5,806	19.0	251,011	57,104	193,907	22.8	63.1	58.8	84.3
All	30,543	100.0	75,561	12,877	62,683	17.0	100.0	100.0	100.0
Addendum									
80-90	2,529	8.3	103,094	15,794	87,299	15.3	11.3	11.5	10.2
90-95	1,424	4.7	150,541	27,182	123,359	18.1	9.3	9.2	9.8
95-99	1,417	4.6	265,660	57,835	207,825	21.8	16.3	15.4	20.8
Top 1 Percent	436	1.4	1,390,644	392,402	998,242	28.2	26.2	22.7	43.5
Top 0.1 Percent	43	0.1	6,491,155	2,036,291	4,454,864	31.4	12.0	9.9	22.1

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 limit the value of itemized deductions to 28 percent and apply a similar limitation to the alternative minimum tax. Limitation would apply only to taxpayers with taxable income above \$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).

(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% \$13,093, 40% \$24,435, 60% \$41,146, 80% \$66,878, 90% \$96,912, 95% \$138,613, 99% \$363,816, 99.9% \$1,673,317.

(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.