

Table T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total				Change (%)	Under the Proposal
Lowest Quintile	43,661	26.6	-0.9	0.7	80	0.9	1.7
Second Quintile	36,819	22.5	-4.2	6.8	975	4.0	9.7
Middle Quintile	32,344	19.7	-4.7	11.2	1,818	4.1	16.6
Fourth Quintile	26,761	16.3	-4.4	14.8	2,897	3.6	20.2
Top Quintile	23,243	14.2	-7.8	66.6	15,049	6.0	29.0
All	163,869	100.0	-6.0	100.0	3,207	4.9	23.0
Addendum							
80-90	11,775	7.2	-7.0	16.5	7,379	5.7	24.8
90-95	5,676	3.5	-8.9	13.9	12,857	7.0	28.1
95-99	4,619	2.8	-9.4	20.3	23,057	7.2	30.2
Top 1 Percent	1,173	0.7	-6.4	15.9	71,099	4.6	32.3
Top 0.1 Percent	120	0.1	-5.8	6.3	276,412	4.0	34.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 6.2

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2011¹
Detail Table

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-0.9	0.7	80	104.7	0.1	0.3	0.9	1.7	
Second Quintile	-4.2	6.8	975	68.7	0.9	3.6	4.0	9.7	
Middle Quintile	-4.7	11.2	1,818	32.5	0.4	9.7	4.1	16.6	
Fourth Quintile	-4.4	14.8	2,897	22.0	-0.7	17.4	3.6	20.2	
Top Quintile	-7.8	66.6	15,049	25.9	-0.6	68.9	6.0	29.0	
All	-6.0	100.0	3,207	27.1	0.0	100.0	4.9	23.0	
Addendum									
80-90	-7.0	16.5	7,379	29.6	0.3	15.4	5.7	24.8	
90-95	-8.9	13.9	12,857	33.2	0.6	11.9	7.0	28.1	
95-99	-9.4	20.3	23,057	31.4	0.6	18.1	7.2	30.2	
Top 1 Percent	-6.4	15.9	71,099	16.8	-2.1	23.5	4.6	32.3	
Top 0.1 Percent	-5.8	6.3	276,412	13.1	-1.4	11.7	4.0	34.8	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	43,661	26.6	9,187	3.8	77	0.2	9,111	4.5	0.8
Second Quintile	36,819	22.5	24,603	8.5	1,420	2.7	23,183	9.7	5.8
Middle Quintile	32,344	19.7	44,639	13.5	5,592	9.3	39,047	14.4	12.5
Fourth Quintile	26,761	16.3	79,524	19.9	13,168	18.2	66,356	20.3	16.6
Top Quintile	23,243	14.2	251,746	54.6	58,040	69.5	193,707	51.3	23.1
All	163,869	100.0	65,357	100.0	11,841	100.0	53,516	100.0	18.1
Addendum									
80-90	11,775	7.2	130,276	14.3	24,948	15.1	105,329	14.1	19.2
90-95	5,676	3.5	183,757	9.7	38,713	11.3	145,044	9.4	21.1
95-99	4,619	2.8	320,086	13.8	73,520	17.5	246,566	13.0	23.0
Top 1 Percent	1,173	0.7	1,530,773	16.8	422,727	25.6	1,108,046	14.8	27.6
Top 0.1 Percent	120	0.1	6,859,873	7.7	2,113,515	13.1	4,746,357	6.5	30.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 6.2

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.0	0.6	84	-26.7	0.3	-0.3	1.0	-2.7	
Second Quintile	-4.4	6.1	933	117.1	1.0	2.4	4.3	7.9	
Middle Quintile	-4.5	9.9	1,581	35.3	0.5	8.1	4.0	15.3	
Fourth Quintile	-5.0	16.8	2,909	26.4	-0.1	17.1	4.2	20.2	
Top Quintile	-7.2	66.7	11,964	24.3	-1.6	72.6	5.6	28.5	
All	-6.0	100.0	3,207	27.1	0.0	100.0	4.9	23.0	
Addendum									
80-90	-6.7	16.7	5,959	28.0	0.1	16.3	5.4	24.8	
90-95	-7.6	13.4	9,691	29.1	0.2	12.7	6.0	26.8	
95-99	-8.5	20.1	18,095	28.9	0.3	19.1	6.6	29.4	
Top 1 Percent	-6.3	16.5	60,357	16.7	-2.2	24.6	4.6	32.0	
Top 0.1 Percent	-5.8	6.6	241,793	13.3	-1.5	12.0	4.0	34.5	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	36,119	22.0	8,514	2.9	-314	-0.6	8,828	3.6	-3.7
Second Quintile	34,184	20.9	21,971	7.0	797	1.4	21,175	8.3	3.6
Middle Quintile	32,894	20.1	39,696	12.2	4,480	7.6	35,217	13.2	11.3
Fourth Quintile	30,355	18.5	68,751	19.5	11,003	17.2	57,747	20.0	16.0
Top Quintile	29,277	17.9	214,472	58.6	49,208	74.3	165,264	55.2	22.9
All	163,869	100.0	65,357	100.0	11,841	100.0	53,516	100.0	18.1
Addendum									
80-90	14,737	9.0	109,930	15.1	21,318	16.2	88,613	14.9	19.4
90-95	7,285	4.5	160,327	10.9	33,327	12.5	127,000	10.6	20.8
95-99	5,822	3.6	274,602	14.9	62,661	18.8	211,941	14.1	22.8
Top 1 Percent	1,433	0.9	1,320,449	17.7	362,090	26.7	958,359	15.7	27.4
Top 0.1 Percent	144	0.1	5,985,092	8.0	1,824,784	13.5	4,160,308	6.8	30.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

Number of AMT Taxpayers (millions). Baseline: 4.3

Proposal: 6.2

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-0.6	1.1	40	17.2	0.0	1.2	0.6	4.0	
Second Quintile	-2.6	9.4	409	38.2	0.8	5.1	2.4	6.3	
Middle Quintile	-3.7	18.2	963	25.9	0.9	13.4	3.2	15.5	
Fourth Quintile	-4.0	22.1	1,588	18.6	0.1	21.4	3.3	20.9	
Top Quintile	-4.5	49.3	4,699	14.5	-1.7	58.9	3.4	27.0	
All	-3.7	100.0	1,053	17.9	0.0	100.0	3.1	20.3	
Addendum									
80-90	-3.9	14.7	2,381	14.7	-0.5	17.4	3.1	24.0	
90-95	-4.1	6.7	3,514	14.8	-0.2	7.9	3.2	24.9	
95-99	-4.7	13.3	6,730	16.1	-0.2	14.5	3.6	26.2	
Top 1 Percent	-5.3	14.7	32,346	13.1	-0.8	19.2	3.8	32.5	
Top 0.1 Percent	-5.6	6.1	156,340	11.1	-0.6	9.2	3.7	37.3	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	23,744	29.6	6,815	5.9	230	1.2	6,585	6.9	3.4
Second Quintile	19,342	24.1	17,082	12.0	1,070	4.4	16,012	13.6	6.3
Middle Quintile	15,928	19.9	30,098	17.4	3,715	12.5	26,383	18.4	12.3
Fourth Quintile	11,766	14.7	48,403	20.7	8,536	21.2	39,867	20.6	17.6
Top Quintile	8,867	11.1	137,269	44.2	32,330	60.6	104,939	40.8	23.6
All	80,235	100.0	34,300	100.0	5,895	100.0	28,405	100.0	17.2
Addendum									
80-90	5,214	6.5	77,390	14.7	16,196	17.9	61,193	14.0	20.9
90-95	1,603	2.0	109,752	6.4	23,782	8.1	85,971	6.0	21.7
95-99	1,667	2.1	185,341	11.2	41,793	14.7	143,548	10.5	22.6
Top 1 Percent	383	0.5	857,687	12.0	246,343	20.0	611,344	10.3	28.7
Top 0.1 Percent	33	0.0	4,190,532	5.0	1,407,003	9.8	2,783,529	4.0	33.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.7	0.3	238	-23.1	0.1	-0.2	1.9	-6.2	
Second Quintile	-6.1	3.0	1,825	196.0	0.6	1.0	5.9	8.9	
Middle Quintile	-5.1	6.8	2,386	45.0	0.5	5.0	4.6	14.8	
Fourth Quintile	-5.4	15.2	3,888	30.3	0.1	14.8	4.6	19.7	
Top Quintile	-8.0	74.8	15,700	27.3	-1.3	79.3	6.2	29.0	
All	-7.1	100.0	6,998	29.4	0.0	100.0	5.7	25.2	
Addendum									
80-90	-7.8	18.1	8,359	33.9	0.5	16.3	6.4	25.1	
90-95	-8.3	15.9	11,680	32.1	0.3	14.8	6.6	27.2	
95-99	-9.6	23.0	23,280	32.3	0.5	21.5	7.4	30.3	
Top 1 Percent	-6.6	17.8	71,104	17.8	-2.6	26.8	4.8	31.9	
Top 0.1 Percent	-5.9	6.9	266,682	13.9	-1.8	12.8	4.1	34.0	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	4,201	7.4	12,701	0.8	-1,028	-0.3	13,729	1.0	-8.1
Second Quintile	6,521	11.5	30,924	2.9	931	0.5	29,993	3.5	3.0
Middle Quintile	11,254	19.9	52,021	8.5	5,304	4.4	46,717	9.4	10.2
Fourth Quintile	15,448	27.3	84,707	18.9	12,828	14.7	71,878	20.0	15.1
Top Quintile	18,895	33.4	252,901	69.1	57,515	80.6	195,386	66.3	22.7
All	56,662	100.0	122,041	100.0	23,791	100.0	98,250	100.0	19.5
Addendum									
80-90	8,587	15.2	131,394	16.3	24,661	15.7	106,733	16.5	18.8
90-95	5,392	9.5	176,360	13.8	36,340	14.5	140,020	13.6	20.6
95-99	3,925	6.9	314,670	17.9	72,065	21.0	242,605	17.1	22.9
Top 1 Percent	992	1.8	1,476,527	21.2	399,481	29.4	1,077,046	19.2	27.1
Top 0.1 Percent	102	0.2	6,440,391	9.5	1,921,824	14.6	4,518,568	8.3	29.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.0	2.9	131	-8.3	5.9	-10.0	1.2	-12.8	
Second Quintile	-5.5	31.9	1,473	-1,771.0	10.2	9.4	5.5	5.2	
Middle Quintile	-4.5	23.5	1,722	34.9	-2.3	28.4	4.0	15.4	
Fourth Quintile	-5.4	21.3	3,123	26.8	-4.7	31.6	4.5	21.1	
Top Quintile	-5.5	20.5	7,110	18.9	-9.1	40.5	4.2	26.7	
All	-4.6	100.0	1,492	45.7	0.0	100.0	4.2	13.4	
Addendum									
80-90	-5.0	7.1	4,044	19.7	-2.9	13.6	4.0	24.2	
90-95	-6.9	4.9	8,076	25.5	-1.2	7.6	5.4	26.7	
95-99	-5.4	4.5	10,840	19.2	-1.9	8.8	4.2	26.3	
Top 1 Percent	-5.0	3.9	43,245	13.2	-3.0	10.5	3.6	31.1	
Top 0.1 Percent	-6.3	2.1	245,798	14.3	-1.4	5.3	4.4	34.9	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	7,953	32.6	11,391	10.5	-1,592	-15.9	12,983	13.2	-14.0
Second Quintile	7,879	32.3	26,611	24.2	-83	-0.8	26,694	26.8	-0.3
Middle Quintile	4,968	20.4	43,368	24.9	4,934	30.7	38,434	24.3	11.4
Fourth Quintile	2,487	10.2	69,930	20.1	11,639	36.3	58,291	18.5	16.6
Top Quintile	1,050	4.3	167,924	20.4	37,714	49.6	130,210	17.4	22.5
All	24,414	100.0	35,432	100.0	3,270	100.0	32,163	100.0	9.2
Addendum									
80-90	643	2.6	101,291	7.5	20,502	16.5	80,789	6.6	20.2
90-95	223	0.9	148,577	3.8	31,620	8.8	116,957	3.3	21.3
95-99	151	0.6	255,857	4.5	56,437	10.7	199,421	3.9	22.1
Top 1 Percent	33	0.1	1,194,732	4.6	328,714	13.6	866,017	3.6	27.5
Top 0.1 Percent	3	0.0	5,612,443	2.0	1,715,069	6.7	3,897,374	1.6	30.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-1.3	0.7	190	-8.5	0.9	-1.9	1.6	-16.7	
Second Quintile	-6.6	7.8	2,002	-779.9	2.2	1.8	6.6	-0.9	
Middle Quintile	-5.3	8.9	2,521	40.3	0.2	8.3	4.7	16.3	
Fourth Quintile	-7.1	19.4	5,462	36.1	-0.1	19.5	6.0	22.5	
Top Quintile	-9.6	63.3	20,477	30.6	-3.3	72.2	7.3	31.3	
All	-7.9	100.0	5,678	36.5	0.0	100.0	6.5	24.4	
Addendum									
80-90	-10.3	20.5	12,595	40.7	0.6	19.0	8.2	28.4	
90-95	-11.0	12.8	17,683	40.5	0.3	11.9	8.7	30.1	
95-99	-11.2	18.7	31,506	34.5	-0.3	19.4	8.5	32.9	
Top 1 Percent	-6.5	11.3	78,657	16.0	-3.9	21.9	4.6	33.4	
Top 0.1 Percent	-5.5	4.1	304,381	12.2	-2.2	10.0	3.8	35.0	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	9,624	19.9	12,221	2.8	-2,225	-2.9	14,446	4.0	-18.2
Second Quintile	10,630	22.0	30,191	7.6	-257	-0.4	30,447	9.3	-0.9
Middle Quintile	9,718	20.1	53,686	12.4	6,249	8.1	47,436	13.3	11.6
Fourth Quintile	9,731	20.1	91,659	21.2	15,141	19.6	76,518	21.5	16.5
Top Quintile	8,493	17.6	279,232	56.2	66,835	75.5	212,398	52.1	23.9
All	48,380	100.0	87,155	100.0	15,551	100.0	71,604	100.0	17.8
Addendum									
80-90	4,479	9.3	153,349	16.3	30,973	18.4	122,376	15.8	20.2
90-95	1,994	4.1	204,015	9.7	43,707	11.6	160,308	9.2	21.4
95-99	1,626	3.4	372,645	14.4	91,251	19.7	281,394	13.2	24.5
Top 1 Percent	394	0.8	1,704,575	15.9	490,534	25.7	1,214,041	13.8	28.8
Top 0.1 Percent	37	0.1	8,017,842	7.0	2,498,717	12.2	5,519,125	5.9	31.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

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

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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 T12-0133
Repeal Certain Exclusions from Taxable Income
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2011¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	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		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	-0.2	0.2	13	25.2	0.0	0.1	0.2	0.8	
Second Quintile	-2.5	9.6	447	276.9	1.1	1.5	2.5	3.4	
Middle Quintile	-3.8	26.2	1,316	100.5	2.6	6.0	3.7	7.3	
Fourth Quintile	-0.8	7.3	463	7.7	-0.6	11.7	0.7	10.1	
Top Quintile	-2.2	56.7	3,690	8.8	-3.1	80.7	1.8	22.0	
All	-2.2	100.0	1,171	13.0	0.0	100.0	1.9	16.1	
Addendum									
80-90	0.6	-3.8	-529	-3.9	-1.9	10.6	-0.5	13.2	
90-95	0.1	-0.3	-61	-0.2	-1.5	11.6	0.0	16.7	
95-99	-2.4	15.3	4,774	9.8	-0.6	19.7	1.9	21.5	
Top 1 Percent	-5.7	45.4	48,869	15.5	0.9	38.7	4.2	31.0	
Top 0.1 Percent	-6.2	21.1	226,593	13.7	0.1	20.2	4.2	35.3	

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2011¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	5,318	15.0	8,514	2.0	54	0.1	8,461	2.3	0.6
Second Quintile	8,941	25.2	17,755	7.1	162	0.5	17,594	8.2	0.9
Middle Quintile	8,299	23.4	35,781	13.2	1,309	3.4	34,472	14.8	3.7
Fourth Quintile	6,547	18.4	64,256	18.7	6,027	12.3	58,230	19.7	9.4
Top Quintile	6,397	18.0	208,223	59.1	42,095	83.8	166,127	55.0	20.2
All	35,530	100.0	63,396	100.0	9,049	100.0	54,347	100.0	14.3
Addendum									
80-90	2,978	8.4	97,974	13.0	13,492	12.5	84,482	13.0	13.8
90-95	1,695	4.8	149,233	11.2	24,937	13.2	124,296	10.9	16.7
95-99	1,338	3.8	249,438	14.8	48,771	20.3	200,667	13.9	19.6
Top 1 Percent	387	1.1	1,173,369	20.1	314,526	37.8	858,843	17.2	26.8
Top 0.1 Percent	39	0.1	5,341,288	9.2	1,659,906	20.1	3,681,381	7.4	31.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

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

(1) Calendar year. Baseline is current law. Proposal repeals the exclusion of net imputed rental income; repeals the exemption on all municipal bond interest; includes 85% of Social Security benefits in taxable income; repeals the exclusion of workers' compensation benefits, taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; taxes accruals in defined benefit pension plans and defined contribution plans; taxes unrealized capital gains at death; and repeals the exclusion of capital gains on the sale of a primary residence. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$11,688; 40% \$22,351; 60% \$38,055; 80% \$65,353; 90% \$95,935; 95% \$134,201; 99% \$335,779; 99.9% \$1,350,445.

(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.