

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2023 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	Number (thousands)	Percent of Total				Change (%)	Under the Proposal
Lowest Quintile	42,544	24.8	0.8	-4.8	-158	-0.8	5.0
Second Quintile	39,088	22.8	-0.2	2.2	77	0.2	13.3
Middle Quintile	34,589	20.2	-0.2	3.4	137	0.2	17.4
Fourth Quintile	29,025	16.9	-0.3	6.0	286	0.2	20.4
Top Quintile	25,289	14.8	-1.9	93.3	5,139	1.3	31.4
All	171,307	100.0	-1.0	100.0	813	0.7	24.5
<b>Addendum</b>							
80-90	12,715	7.4	-0.3	3.5	379	0.2	22.6
90-95	6,356	3.7	-0.4	3.5	759	0.3	25.0
95-99	4,938	2.9	-1.8	19.2	5,408	1.3	29.4
Top 1 Percent	1,282	0.8	-3.6	67.2	73,040	2.2	39.3
Top 0.1 Percent	130	0.1	-3.9	32.7	350,992	2.4	41.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.8

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$27,797; 40% \$48,516; 60% \$76,595; 80% \$113,780; 90% \$181,697; 95% \$227,157; 99% \$657,697; 99.9% \$4,900,390.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2023 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.8	-4.8	-158	-13.4	-0.2	0.9	-0.8	5.0
Second Quintile	-0.2	2.2	77	1.2	-0.1	5.4	0.2	13.3
Middle Quintile	-0.2	3.4	137	1.0	-0.2	10.1	0.2	17.4
Fourth Quintile	-0.3	6.0	286	1.2	-0.3	15.3	0.2	20.4
Top Quintile	-1.9	93.3	5,139	4.3	0.8	68.3	1.3	31.4
All	-1.0	100.0	813	3.1	0.0	100.0	0.7	24.5
<b>Addendum</b>								
80-90	-0.3	3.5	379	1.0	-0.2	10.6	0.2	22.6
90-95	-0.4	3.5	759	1.2	-0.2	8.7	0.3	25.0
95-99	-1.8	19.2	5,408	4.7	0.2	13.1	1.3	29.4
Top 1 Percent	-3.6	67.2	73,040	6.0	1.0	35.9	2.2	39.3
Top 0.1 Percent	-3.9	32.7	350,992	6.2	0.5	17.1	2.4	41.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	42,544	24.8	20,323	4.6	1,176	1.1	19,148	5.7	5.8
Second Quintile	39,088	22.8	47,458	9.9	6,212	5.5	41,245	11.3	13.1
Middle Quintile	34,589	20.2	76,722	14.2	13,192	10.3	63,531	15.4	17.2
Fourth Quintile	29,025	16.9	118,591	18.4	23,854	15.6	94,737	19.2	20.1
Top Quintile	25,289	14.8	394,929	53.3	118,750	67.5	276,179	48.9	30.1
All	171,307	100.0	109,400	100.0	25,971	100.0	83,428	100.0	23.7
<b>Addendum</b>									
80-90	12,715	7.4	169,484	11.5	37,955	10.9	131,530	11.7	22.4
90-95	6,356	3.7	252,322	8.6	62,320	8.9	190,001	8.5	24.7
95-99	4,938	2.9	413,320	10.9	115,918	12.9	297,402	10.3	28.1
Top 1 Percent	1,282	0.8	3,267,995	22.4	1,211,109	34.9	2,056,887	18.4	37.1
Top 0.1 Percent	130	0.1	14,686,894	10.2	5,678,346	16.6	9,008,548	8.2	38.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.8

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$27,797; 40% \$48,516; 60% \$76,595; 80% \$113,780; 90% \$181,697; 95% \$227,157; 99% \$657,697; 99.9% \$4,900,390.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	1.4	-6.2	-256	-52.7	-0.2	0.2	-1.3	1.2
Second Quintile	-0.1	1.3	52	1.0	-0.1	3.9	0.1	12.1
Middle Quintile	-0.2	3.1	126	1.2	-0.2	8.1	0.2	15.7
Fourth Quintile	-0.2	4.4	184	0.9	-0.3	14.8	0.2	19.7
Top Quintile	-1.8	97.3	3,971	4.2	0.8	73.0	1.3	30.8
All	-1.0	100.0	813	3.1	0.0	100.0	0.7	24.5
<b>Addendum</b>								
80-90	-0.4	5.3	409	1.3	-0.2	12.8	0.3	22.9
90-95	-0.6	5.3	925	1.8	-0.1	9.2	0.4	24.9
95-99	-1.5	17.9	3,786	3.9	0.1	14.4	1.1	28.3
Top 1 Percent	-3.5	68.8	66,081	6.1	1.0	36.6	2.2	39.2
Top 0.1 Percent	-4.1	35.8	327,432	6.4	0.6	18.0	2.5	41.2

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	33,642	19.6	19,052	3.4	485	0.4	18,567	4.4	2.6
Second Quintile	34,503	20.1	42,832	7.9	5,117	4.0	37,715	9.1	12.0
Middle Quintile	34,775	20.3	68,194	12.7	10,591	8.3	57,602	14.0	15.5
Fourth Quintile	33,482	19.6	102,628	18.3	20,038	15.1	82,590	19.4	19.5
Top Quintile	34,133	19.9	318,655	58.0	94,119	72.2	224,536	53.6	29.5
All	171,307	100.0	109,400	100.0	25,971	100.0	83,428	100.0	23.7
<b>Addendum</b>									
80-90	18,056	10.5	142,031	13.7	32,081	13.0	109,950	13.9	22.6
90-95	8,043	4.7	211,289	9.1	51,683	9.3	159,606	9.0	24.5
95-99	6,584	3.8	353,435	12.4	96,381	14.3	257,054	11.8	27.3
Top 1 Percent	1,450	0.9	2,956,137	22.9	1,091,922	35.6	1,864,215	18.9	36.9
Top 0.1 Percent	152	0.1	13,153,513	10.7	5,094,111	17.4	8,059,402	8.6	38.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.5 Proposal: 4.8

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$18,520; 40% \$32,272; 60% \$48,446; 80% \$72,253; 90% \$102,645; 95% \$138,637; 99% \$415,300; 99.9% \$2,900,987.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.5	-3.2	-68	-6.1	-0.2	1.7	-0.5	7.4
Second Quintile	-0.3	3.1	70	1.8	-0.1	6.3	0.2	12.4
Middle Quintile	-0.4	7.3	173	2.2	-0.2	12.1	0.3	16.1
Fourth Quintile	-0.4	7.6	227	1.5	-0.4	18.1	0.3	20.9
Top Quintile	-2.0	85.1	2,695	5.1	0.9	61.8	1.5	30.0
All	-1.0	100.0	501	3.6	0.0	100.0	0.8	22.8
<b>Addendum</b>								
80-90	-0.6	10.2	528	2.1	-0.3	17.6	0.5	24.0
90-95	-0.8	6.3	861	2.4	-0.1	9.7	0.6	25.9
95-99	-1.8	13.9	3,390	5.0	0.1	10.2	1.3	27.8
Top 1 Percent	-5.3	54.7	66,889	8.6	1.1	24.4	3.3	41.3
Top 0.1 Percent	-5.9	29.8	350,343	8.7	0.6	13.0	3.5	44.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	17,294	23.5	13,972	5.2	1,106	1.9	12,866	6.2	7.9
Second Quintile	16,438	22.3	32,193	11.4	3,935	6.4	28,259	12.9	12.2
Middle Quintile	15,540	21.1	50,893	17.1	8,011	12.2	42,882	18.5	15.7
Fourth Quintile	12,327	16.7	74,012	19.7	15,221	18.5	58,791	20.1	20.6
Top Quintile	11,667	15.8	186,116	46.9	53,115	61.0	133,001	43.0	28.5
All	73,658	100.0	62,834	100.0	13,802	100.0	49,032	100.0	22.0
<b>Addendum</b>									
80-90	7,140	9.7	108,052	16.7	25,439	17.9	82,613	16.3	23.5
90-95	2,713	3.7	144,520	8.5	36,632	9.8	107,888	8.1	25.4
95-99	1,512	2.1	255,988	8.4	67,703	10.1	188,285	7.9	26.5
Top 1 Percent	302	0.4	2,055,288	13.4	782,340	23.3	1,272,948	10.7	38.1
Top 0.1 Percent	31	0.0	9,934,992	6.7	4,025,988	12.4	5,909,004	5.1	40.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

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(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

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**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	1.7	-2.7	-439	-71.7	-0.1	0.0	-1.6	0.7
Second Quintile	0.0	-0.1	-11	-0.2	-0.1	2.0	0.0	11.6
Middle Quintile	-0.1	1.5	105	0.8	-0.1	5.6	0.1	14.7
Fourth Quintile	-0.1	2.5	141	0.6	-0.3	12.8	0.1	18.9
Top Quintile	-1.7	98.8	4,757	4.0	0.6	79.5	1.2	31.0
All	-1.1	100.0	1,453	3.2	0.0	100.0	0.8	26.1
<b>Addendum</b>								
80-90	-0.3	3.2	332	0.9	-0.3	11.2	0.2	22.2
90-95	-0.5	4.9	956	1.6	-0.2	9.6	0.4	24.5
95-99	-1.4	19.3	3,923	3.7	0.1	16.6	1.0	28.4
Top 1 Percent	-3.2	71.5	64,693	5.5	0.9	42.1	2.0	38.8
Top 0.1 Percent	-3.7	35.9	319,547	5.9	0.5	19.9	2.3	40.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	6,015	8.9	26,782	1.3	612	0.1	26,170	1.7	2.3
Second Quintile	9,622	14.2	56,413	4.5	6,538	2.0	49,874	5.3	11.6
Middle Quintile	13,769	20.4	87,067	9.8	12,714	5.7	74,353	11.2	14.6
Fourth Quintile	17,510	25.9	123,591	17.7	23,176	13.2	100,415	19.3	18.8
Top Quintile	20,405	30.2	400,452	67.0	119,277	78.9	281,175	62.9	29.8
All	67,607	100.0	180,458	100.0	45,621	100.0	134,837	100.0	25.3
<b>Addendum</b>									
80-90	9,493	14.0	169,621	13.2	37,300	11.5	132,320	13.8	22.0
90-95	5,006	7.4	249,715	10.3	60,160	9.8	189,555	10.4	24.1
95-99	4,821	7.1	386,078	15.3	105,623	16.5	280,455	14.8	27.4
Top 1 Percent	1,085	1.6	3,178,198	28.3	1,169,476	41.2	2,008,722	23.9	36.8
Top 0.1 Percent	110	0.2	14,102,286	12.8	5,430,509	19.4	8,671,777	10.5	38.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$18,520; 40% \$32,272; 60% \$48,446; 80% \$72,253; 90% \$102,645; 95% \$138,637; 99% \$415,300; 99.9% \$2,900,987.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.0	676.1	-484	65.2	-2.0	-5.0	-2.1	-5.3
Second Quintile	-0.2	-93.7	86	1.5	0.3	18.4	0.2	11.9
Middle Quintile	0.0	-13.8	22	0.2	0.1	23.5	0.0	17.6
Fourth Quintile	-0.3	-89.5	217	1.0	0.3	26.2	0.2	21.3
Top Quintile	-1.2	-380.1	1,910	3.1	1.2	36.8	0.9	28.2
All	0.1	100.0	-27	-0.3	0.0	100.0	-0.1	15.7
<b>Addendum</b>								
80-90	-0.3	-37.2	270	0.9	0.1	12.6	0.2	23.2
90-95	-0.4	-18.5	563	1.2	0.1	4.6	0.3	25.4
95-99	-1.4	-84.9	3,500	3.8	0.3	6.7	1.0	28.1
Top 1 Percent	-3.2	-239.4	54,959	5.7	0.7	13.0	2.0	37.8
Top 0.1 Percent	-3.6	-118.5	293,381	6.0	0.4	6.1	2.2	39.8

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	9,936	37.3	23,310	14.9	-743	-3.0	24,052	18.2	-3.2
Second Quintile	7,768	29.2	48,895	24.4	5,721	18.1	43,174	25.6	11.7
Middle Quintile	4,504	16.9	72,719	21.0	12,785	23.4	59,934	20.6	17.6
Fourth Quintile	2,930	11.0	102,731	19.3	21,657	25.8	81,074	18.1	21.1
Top Quintile	1,416	5.3	225,678	20.5	61,723	35.6	163,954	17.7	27.4
All	26,613	100.0	58,504	100.0	9,233	100.0	49,271	100.0	15.8
<b>Addendum</b>									
80-90	978	3.7	136,404	8.6	31,304	12.5	105,100	7.8	23.0
90-95	235	0.9	187,760	2.8	47,078	4.5	140,682	2.5	25.1
95-99	173	0.7	337,145	3.7	91,096	6.4	246,049	3.2	27.0
Top 1 Percent	31	0.1	2,708,077	5.4	968,571	12.2	1,739,506	4.1	35.8
Top 0.1 Percent	3	0.0	13,145,896	2.4	4,934,181	5.8	8,211,715	1.8	37.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

(1) Calendar year. Baseline is current law. Proposal would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$18,520; 40% \$32,272; 60% \$48,446; 80% \$72,253; 90% \$102,645; 95% \$138,637; 99% \$415,300; 99.9% \$2,900,987.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	2.2	-19.0	-574	57.4	-0.4	-1.2	-2.3	-6.3
Second Quintile	0.0	0.2	6	0.1	-0.1	4.7	0.0	12.2
Middle Quintile	-0.1	1.6	61	0.4	-0.2	9.7	0.1	17.7
Fourth Quintile	-0.1	3.7	139	0.5	-0.3	16.6	0.1	21.0
Top Quintile	-1.7	113.6	5,388	3.8	1.0	70.1	1.2	32.1
All	-0.7	100.0	723	2.3	0.0	100.0	0.6	24.5
<b>Addendum</b>								
80-90	-0.2	3.4	350	0.7	-0.2	10.6	0.2	24.2
90-95	-0.7	9.7	1,467	2.1	0.0	10.7	0.5	26.3
95-99	-2.2	28.7	7,800	5.3	0.4	12.7	1.6	31.0
Top 1 Percent	-2.7	71.8	60,785	4.7	0.8	36.1	1.7	38.9
Top 0.1 Percent	-3.1	33.0	303,800	4.9	0.4	15.9	1.9	40.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	13,240	24.0	25,156	4.6	-1,001	-0.8	26,157	6.2	-4.0
Second Quintile	12,165	22.0	56,119	9.3	6,853	4.8	49,266	10.8	12.2
Middle Quintile	10,601	19.2	93,059	13.5	16,359	9.9	76,700	14.6	17.6
Fourth Quintile	10,614	19.2	133,725	19.4	27,912	16.9	105,812	20.2	20.9
Top Quintile	8,424	15.3	463,981	53.5	143,512	69.1	320,469	48.6	30.9
All	55,221	100.0	132,346	100.0	31,697	100.0	100,649	100.0	24.0
<b>Addendum</b>									
80-90	3,837	7.0	204,136	10.7	48,980	10.7	155,155	10.7	24.0
90-95	2,643	4.8	275,221	10.0	70,787	10.7	204,434	9.7	25.7
95-99	1,472	2.7	499,465	10.1	147,008	12.4	352,457	9.3	29.4
Top 1 Percent	472	0.9	3,522,750	22.8	1,308,362	35.3	2,214,388	18.8	37.1
Top 0.1 Percent	43	0.1	16,183,871	9.6	6,245,695	15.5	9,938,176	7.8	38.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

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 would: (a) extend the ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) index the tax system using chained CPI beginning after 2014; (d) enact the Fair Share Tax; (e) limit value of itemized deductions and certain other deductions and exclusions to 28 percent; (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000; (g) simplify rules for claiming childless EITC; (h) enact auto-IRA proposal; (i) limit the total accrual of tax-favored retirement accounts; (j) tax carried (profits) interest as ordinary income; (k) impose financial crisis responsibility fee; (l) make unemployment insurance surtax permanent and expand FUTA base; (m) provide incentives for investment in infrastructure; (n) reinstate Superfund environmental income tax; (o) increase tobacco tax and index for inflation; and (p) reinstate estate tax at 2009 levels (45 percent rate and \$3.5 million unindexed exemption). For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 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 2012 dollars): 20% \$18,520; 40% \$32,272; 60% \$48,446; 80% \$72,253; 90% \$102,645; 95% \$138,637; 99% \$415,300; 99.9% \$2,900,987.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

**Table T13-0131**  
**Administration's FY2014 Budget Proposals**  
**All Major Tax Provisions**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	-0.1	0.2	20	12.3	0.0	0.1	0.1	1.1
Second Quintile	-0.2	1.0	58	5.3	0.0	1.1	0.2	3.3
Middle Quintile	-0.3	3.8	194	5.0	-0.1	4.8	0.3	6.8
Fourth Quintile	-0.3	4.1	252	2.2	-0.4	11.2	0.3	12.5
Top Quintile	-2.5	90.8	5,501	6.9	0.5	82.8	1.8	28.5
All	-1.5	100.0	1,247	6.3	0.0	100.0	1.2	20.2
<b>Addendum</b>								
80-90	-0.7	6.5	750	3.6	-0.3	11.0	0.6	16.8
90-95	-0.8	4.3	1,182	3.2	-0.2	8.0	0.6	19.5
95-99	-1.4	11.4	3,303	4.4	-0.3	16.1	1.0	24.6
Top 1 Percent	-5.4	68.6	93,295	9.3	1.3	47.6	3.4	40.3
Top 0.1 Percent	-6.4	36.6	455,851	9.9	0.8	24.0	3.9	43.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2023 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	5,860	13.7	17,141	2.2	161	0.1	16,980	2.7	0.9
Second Quintile	8,856	20.7	36,008	7.1	1,110	1.2	34,898	8.5	3.1
Middle Quintile	10,555	24.7	60,531	14.2	3,892	4.8	56,639	16.4	6.4
Fourth Quintile	8,685	20.3	92,973	18.0	11,370	11.6	81,602	19.5	12.2
Top Quintile	8,804	20.6	298,672	58.6	79,595	82.3	219,078	53.0	26.7
All	42,789	100.0	104,934	100.0	19,906	100.0	85,028	100.0	19.0
<b>Addendum</b>									
80-90	4,633	10.8	127,975	13.2	20,768	11.3	107,206	13.7	16.2
90-95	1,931	4.5	193,587	8.3	36,482	8.3	157,105	8.3	18.9
95-99	1,848	4.3	320,165	13.2	75,507	16.4	244,657	12.4	23.6
Top 1 Percent	392	0.9	2,732,867	23.9	1,006,646	46.3	1,726,221	18.6	36.8
Top 0.1 Percent	43	0.1	11,765,808	11.2	4,608,871	23.2	7,156,937	8.4	39.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

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

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(3) The 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 2012 dollars): 20% \$18,520; 40% \$32,272; 60% \$48,446; 80% \$72,253; 90% \$102,645; 95% \$138,637; 99% \$415,300; 99.9% \$2,900,987.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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