

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile, 2023 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut 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 (%)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	23.4	-1,018	33.5	68	1.1	-9.0	-217	-1.1	4.8
Second Quintile	16.7	-610	70.2	84	0.1	-1.6	-43	-0.1	13.1
Middle Quintile	10.7	-636	84.8	115	-0.1	1.0	30	0.0	17.3
Fourth Quintile	6.6	-496	91.9	148	-0.1	2.9	103	0.1	20.3
Top Quintile	4.1	-1,318	95.5	4,627	-1.6	106.8	4,357	1.1	31.1
All	13.6	-813	71.1	1,004	-0.7	100.0	602	0.6	24.3
Addendum									
80-90	8.0	-1,320	91.3	292	-0.1	2.0	158	0.1	22.5
90-95	0.1	-1,263	99.8	494	-0.3	3.0	491	0.2	24.8
95-99	0.1	-734	99.4	4,706	-1.6	22.3	4,664	1.1	29.0
Top 1 Percent	*	**	99.6	64,308	-3.1	79.5	64,006	2.0	39.0
Top 0.1 Percent	0.0	0	100.0	309,812	-3.4	39.0	309,672	2.1	40.8

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

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.8

* Less than 0.05

** Insufficient data

(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; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile, 2023¹
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	23.4	33.5	1.1	-9.0	-217	-18.3	-0.2	0.9	-1.1	4.8
Second Quintile	16.7	70.2	0.1	-1.6	-43	-0.7	-0.2	5.3	-0.1	13.1
Middle Quintile	10.7	84.8	-0.1	1.0	30	0.2	-0.2	10.1	0.0	17.3
Fourth Quintile	6.6	91.9	-0.1	2.9	103	0.4	-0.3	15.3	0.1	20.3
Top Quintile	4.1	95.5	-1.6	106.8	4,357	3.7	0.9	68.2	1.1	31.1
All	13.6	71.1	-0.7	100.0	602	2.3	0.0	100.0	0.6	24.3
Addendum										
80-90	8.0	91.3	-0.1	2.0	158	0.4	-0.2	10.7	0.1	22.5
90-95	0.1	99.8	-0.3	3.0	491	0.8	-0.1	8.8	0.2	24.8
95-99	0.1	99.4	-1.6	22.3	4,664	4.1	0.2	13.0	1.1	29.0
Top 1 Percent	*	99.6	-3.1	79.5	64,006	5.3	1.0	35.8	2.0	39.0
Top 0.1 Percent	0.0	100.0	-3.4	39.0	309,672	5.5	0.5	17.1	2.1	40.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2023¹

Cash Income Percentile ^{2,3}	Tax Units		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	42,544	24.8	20,323	4.6	1,188	1.1	19,135	5.7	5.9
Second Quintile	39,088	22.8	47,458	9.9	6,264	5.5	41,193	11.3	13.2
Middle Quintile	34,589	20.2	76,722	14.2	13,264	10.3	63,459	15.4	17.3
Fourth Quintile	29,025	16.9	118,591	18.4	23,968	15.6	94,624	19.2	20.2
Top Quintile	25,289	14.8	394,929	53.3	118,501	67.3	276,428	48.9	30.0
All	171,307	100.0	109,400	100.0	25,983	100.0	83,416	100.0	23.8
Addendum									
80-90	12,715	7.4	169,484	11.5	38,016	10.9	131,468	11.7	22.4
90-95	6,356	3.7	252,322	8.6	62,196	8.9	190,126	8.5	24.7
95-99	4,938	2.9	413,320	10.9	115,093	12.8	298,227	10.3	27.9
Top 1 Percent	1,282	0.8	3,267,995	22.4	1,209,368	34.8	2,058,627	18.5	37.0
Top 0.1 Percent	130	0.1	14,686,894	10.2	5,676,293	16.6	9,010,601	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

* Less than 0.05

(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; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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Table T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 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	33.6	26.4	1.7	-10.3	-314	-63.4	-0.2	0.1	-1.7	1.0
Second Quintile	16.8	58.0	0.1	-1.3	-39	-0.8	-0.1	3.9	-0.1	12.0
Middle Quintile	10.1	82.2	0.0	0.3	8	0.1	-0.2	8.2	0.0	15.7
Fourth Quintile	6.1	92.3	-0.1	2.4	75	0.4	-0.3	14.9	0.1	19.7
Top Quintile	1.4	98.0	-1.5	108.9	3,292	3.5	0.8	72.9	1.0	30.5
All	13.6	71.1	-0.7	100.0	602	2.3	0.0	100.0	0.6	24.3
Addendum										
80-90	2.5	96.8	-0.2	3.5	199	0.6	-0.2	12.8	0.1	22.7
90-95	0.2	99.3	-0.4	5.0	639	1.2	-0.1	9.2	0.3	24.7
95-99	*	99.5	-1.2	20.1	3,155	3.3	0.1	14.3	0.9	28.0
Top 1 Percent	0.1	99.5	-3.1	80.3	57,170	5.2	1.0	36.5	1.9	38.8
Top 0.1 Percent	*	100.0	-3.5	42.1	285,572	5.6	0.6	18.0	2.2	40.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	33,642	19.6	19,052	3.4	496	0.4	18,556	4.4	2.6	
Second Quintile	34,503	20.1	42,832	7.9	5,172	4.0	37,660	9.1	12.1	
Middle Quintile	34,775	20.3	68,194	12.7	10,682	8.4	57,512	14.0	15.7	
Fourth Quintile	33,482	19.6	102,628	18.3	20,155	15.2	82,473	19.3	19.6	
Top Quintile	34,133	19.9	318,655	58.0	93,904	72.0	224,751	53.7	29.5	
All	171,307	100.0	109,400	100.0	25,983	100.0	83,416	100.0	23.8	
Addendum										
80-90	18,056	10.5	142,031	13.7	32,090	13.0	109,941	13.9	22.6	
90-95	8,043	4.7	211,289	9.1	51,589	9.3	159,700	9.0	24.4	
95-99	6,584	3.8	353,435	12.4	95,700	14.2	257,735	11.9	27.1	
Top 1 Percent	1,450	0.9	2,956,137	22.9	1,090,384	35.5	1,865,753	18.9	36.9	
Top 0.1 Percent	152	0.1	13,153,513	10.7	5,092,393	17.4	8,061,119	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

* Less than 0.05

(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; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023¹
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	11.6	29.4	0.8	-9.9	-98	-8.8	-0.2	1.7	-0.7	7.3
Second Quintile	5.7	57.4	0.0	-0.8	-8	-0.2	-0.1	6.3	0.0	12.3
Middle Quintile	4.2	88.4	-0.1	2.2	25	0.3	-0.2	12.1	0.1	15.9
Fourth Quintile	2.6	96.2	-0.2	7.3	102	0.7	-0.2	18.3	0.1	20.8
Top Quintile	0.5	98.7	-1.1	101.2	1,485	2.8	0.7	61.5	0.8	29.4
All	5.4	70.1	-0.5	100.0	233	1.7	0.0	100.0	0.4	22.4
Addendum										
80-90	0.8	98.4	-0.2	6.0	145	0.6	-0.2	17.7	0.1	23.7
90-95	*	99.0	-0.2	2.9	183	0.5	-0.1	9.6	0.1	25.5
95-99	0.0	99.1	-0.7	11.6	1,310	1.9	0.0	10.1	0.5	27.0
Top 1 Percent	0.0	99.1	-3.6	80.7	45,747	5.9	1.0	24.1	2.2	40.3
Top 0.1 Percent	*	100.0	-4.6	50.0	273,370	6.8	0.6	13.0	2.8	43.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023¹

Cash Income Percentile ^{2,3}	Tax Units		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	17,294	23.5	13,972	5.2	1,115	1.9	12,858	6.2	8.0
Second Quintile	16,438	22.3	32,193	11.4	3,967	6.4	28,226	12.9	12.3
Middle Quintile	15,540	21.1	50,893	17.1	8,068	12.3	42,825	18.4	15.9
Fourth Quintile	12,327	16.7	74,012	19.7	15,280	18.5	58,732	20.1	20.6
Top Quintile	11,667	15.8	186,116	46.9	53,151	60.8	132,964	43.0	28.6
All	73,658	100.0	62,834	100.0	13,839	100.0	48,995	100.0	22.0
Addendum									
80-90	7,140	9.7	108,052	16.7	25,495	17.9	82,557	16.3	23.6
90-95	2,713	3.7	144,520	8.5	36,635	9.8	107,885	8.1	25.4
95-99	1,512	2.1	255,988	8.4	67,715	10.0	188,274	7.9	26.5
Top 1 Percent	302	0.4	2,055,288	13.4	782,350	23.2	1,272,938	10.7	38.1
Top 0.1 Percent	31	0.0	9,934,992	6.7	4,026,500	12.4	5,908,492	5.1	40.5

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

* Less than 0.05

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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T13-0135
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Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023¹
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	53.5	11.0	2.0	-3.6	-516	-82.4	-0.1	0.0	-1.9	0.4
Second Quintile	27.5	48.6	0.2	-1.2	-105	-1.6	-0.1	2.0	-0.2	11.6
Middle Quintile	11.9	78.1	0.0	0.3	18	0.1	-0.2	5.6	0.0	14.8
Fourth Quintile	8.5	89.7	-0.1	0.9	46	0.2	-0.3	12.9	0.0	18.9
Top Quintile	2.0	97.6	-1.5	103.7	4,345	3.7	0.7	79.4	1.1	30.8
All	14.0	76.5	-0.9	100.0	1,265	2.8	0.0	100.0	0.7	26.0
Addendum										
80-90	4.2	95.4	-0.2	2.5	225	0.6	-0.2	11.2	0.1	22.1
90-95	0.2	99.5	-0.5	5.1	867	1.4	-0.1	9.6	0.4	24.4
95-99	*	99.6	-1.3	21.0	3,726	3.6	0.1	16.5	1.0	28.1
Top 1 Percent	*	99.7	-2.9	75.1	59,160	5.1	0.9	42.0	1.9	38.6
Top 0.1 Percent	0.0	100.0	-3.3	37.0	287,046	5.3	0.5	19.9	2.0	40.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023¹

Cash Income Percentile ^{2,3}	Tax Units		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	6,015	8.9	26,782	1.3	626	0.1	26,156	1.7	2.3
Second Quintile	9,622	14.2	56,413	4.5	6,622	2.1	49,791	5.3	11.7
Middle Quintile	13,769	20.4	87,067	9.8	12,845	5.7	74,222	11.2	14.8
Fourth Quintile	17,510	25.9	123,591	17.7	23,346	13.3	100,245	19.3	18.9
Top Quintile	20,405	30.2	400,452	67.0	118,915	78.7	281,536	63.0	29.7
All	67,607	100.0	180,458	100.0	45,596	100.0	134,862	100.0	25.3
Addendum									
80-90	9,493	14.0	169,621	13.2	37,295	11.5	132,326	13.8	22.0
90-95	5,006	7.4	249,715	10.3	60,033	9.8	189,682	10.4	24.0
95-99	4,821	7.1	386,078	15.3	104,696	16.4	281,382	14.9	27.1
Top 1 Percent	1,085	1.6	3,178,198	28.3	1,167,440	41.1	2,010,758	23.9	36.7
Top 0.1 Percent	110	0.2	14,102,286	12.8	5,428,064	19.4	8,674,221	10.5	38.5

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

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Table T13-0135
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Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023¹
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	60.9	29.5	2.4	151.7	-580	79.7	-2.4	-5.4	-2.5	-5.6
Second Quintile	28.5	67.6	0.1	6.6	-32	-0.6	0.2	18.4	-0.1	11.8
Middle Quintile	27.0	70.1	0.2	10.9	-92	-0.7	0.2	23.7	-0.1	17.6
Fourth Quintile	8.7	90.1	-0.1	-7.4	96	0.4	0.5	26.3	0.1	21.3
Top Quintile	0.2	98.2	-1.0	-62.1	1,666	2.7	1.5	36.9	0.7	28.1
All	36.6	57.8	0.3	100.0	-143	-1.5	0.0	100.0	-0.2	15.6
Addendum										
80-90	0.3	97.7	-0.2	-5.8	224	0.7	0.3	12.7	0.2	23.1
90-95	*	99.3	-0.4	-3.3	529	1.1	0.1	4.6	0.3	25.2
95-99	*	99.1	-1.3	-14.5	3,194	3.5	0.3	6.7	1.0	28.0
Top 1 Percent	*	99.1	-2.7	-38.6	47,265	4.9	0.8	13.0	1.8	37.5
Top 0.1 Percent	*	100.0	-3.0	-18.7	247,150	5.0	0.4	6.1	1.9	39.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023¹

Cash Income Percentile ^{2,3}	Tax Units		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	9,936	37.3	23,310	14.9	-728	-2.9	24,038	18.2	-3.1
Second Quintile	7,768	29.2	48,895	24.4	5,790	18.2	43,105	25.6	11.8
Middle Quintile	4,504	16.9	72,719	21.0	12,884	23.5	59,835	20.6	17.7
Fourth Quintile	2,930	11.0	102,731	19.3	21,752	25.8	80,978	18.1	21.2
Top Quintile	1,416	5.3	225,678	20.5	61,657	35.4	164,021	17.7	27.3
All	26,613	100.0	58,504	100.0	9,282	100.0	49,222	100.0	15.9
Addendum									
80-90	978	3.7	136,404	8.6	31,277	12.4	105,127	7.9	22.9
90-95	235	0.9	187,760	2.8	46,821	4.5	140,939	2.5	24.9
95-99	173	0.7	337,145	3.7	91,051	6.4	246,094	3.2	27.0
Top 1 Percent	31	0.1	2,708,077	5.4	968,585	12.2	1,739,493	4.1	35.8
Top 0.1 Percent	3	0.0	13,145,896	2.4	4,934,058	5.7	8,211,838	1.8	37.5

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

* Less than 0.05

(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; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 ¹
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	68.8	22.6	2.6	-27.5	-674	68.4	-0.5	-1.2	-2.7	-6.6
Second Quintile	37.9	58.0	0.2	-3.8	-101	-1.5	-0.2	4.7	-0.2	12.2
Middle Quintile	24.5	73.1	0.1	-1.5	-46	-0.3	-0.2	9.8	-0.1	17.8
Fourth Quintile	14.0	85.0	0.0	1.3	39	0.1	-0.3	16.8	0.0	21.1
Top Quintile	2.7	96.8	-1.6	131.7	5,069	3.5	1.1	69.9	1.1	32.0
All	32.8	63.3	-0.6	100.0	587	1.9	0.0	100.0	0.4	24.5
Addendum										
80-90	5.8	93.6	-0.2	3.2	269	0.6	-0.1	10.6	0.1	24.2
90-95	0.2	99.7	-0.7	11.3	1,385	2.0	0.0	10.7	0.5	26.2
95-99	*	99.3	-2.2	34.6	7,623	5.2	0.4	12.7	1.5	30.7
Top 1 Percent	*	99.7	-2.6	82.6	56,741	4.4	0.9	36.0	1.6	38.7
Top 0.1 Percent	0.0	100.0	-2.8	36.8	275,060	4.4	0.4	15.8	1.7	40.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	13,240	24.0	25,156	4.6	-985	-0.7	26,141	6.2	-3.9	
Second Quintile	12,165	22.0	56,119	9.3	6,953	4.8	49,165	10.8	12.4	
Middle Quintile	10,601	19.2	93,059	13.5	16,562	10.0	76,497	14.6	17.8	
Fourth Quintile	10,614	19.2	133,725	19.4	28,179	17.1	105,546	20.2	21.1	
Top Quintile	8,424	15.3	463,981	53.5	143,196	68.8	320,785	48.7	30.9	
All	55,221	100.0	132,346	100.0	31,765	100.0	100,581	100.0	24.0	
Addendum										
80-90	3,837	7.0	204,136	10.7	49,119	10.8	155,017	10.7	24.1	
90-95	2,643	4.8	275,221	10.0	70,656	10.6	204,564	9.7	25.7	
95-99	1,472	2.7	499,465	10.1	145,892	12.3	353,573	9.4	29.2	
Top 1 Percent	472	0.9	3,522,750	22.8	1,305,805	35.1	2,216,945	18.8	37.1	
Top 0.1 Percent	43	0.1	16,183,871	9.6	6,242,859	15.4	9,941,013	7.8	38.6	

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

* Less than 0.05

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; and (f) increase credit phasedown level for the child and dependent care tax credit to \$75,000. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 T13-0135
Administration's FY2014 Budget Proposals
Major Individual Income Tax Provisions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2023 ¹
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	1.6	2.8	0.1	-0.2	-9	-5.6	0.0	0.1	-0.1	0.9
Second Quintile	1.6	19.3	0.0	0.0	0	0.0	0.0	1.1	0.0	3.1
Middle Quintile	1.6	79.6	-0.1	1.2	39	1.0	-0.1	4.7	0.1	6.5
Fourth Quintile	0.9	96.1	-0.1	2.6	102	0.9	-0.4	11.3	0.1	12.4
Top Quintile	0.6	98.4	-1.7	96.4	3,763	4.7	0.6	82.8	1.3	28.0
All	1.2	63.8	-1.0	100.0	804	4.0	0.0	100.0	0.8	19.8
Addendum										
80-90	1.0	97.8	-0.2	2.7	199	1.0	-0.3	11.0	0.2	16.4
90-95	0.1	98.8	-0.2	1.8	311	0.9	-0.3	8.0	0.2	19.1
95-99	*	99.5	-0.6	8.3	1,544	2.0	-0.3	16.1	0.5	24.1
Top 1 Percent	0.2	99.5	-4.3	83.6	73,357	7.3	1.5	47.7	2.7	39.6
Top 0.1 Percent	0.0	100.0	-5.3	47.5	380,966	8.3	0.9	24.1	3.2	42.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2023 ¹

Cash Income Percentile ^{2,3}	Tax Units		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	5,860	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	1,114	1.2	34,894	8.5	3.1
Middle Quintile	10,555	24.7	60,531	14.2	3,900	4.8	56,631	16.4	6.4
Fourth Quintile	8,685	20.3	92,973	18.0	11,407	11.6	81,565	19.5	12.3
Top Quintile	8,804	20.6	298,672	58.6	79,767	82.3	218,905	53.0	26.7
All	42,789	100.0	104,934	100.0	19,952	100.0	84,982	100.0	19.0
Addendum									
80-90	4,633	10.8	127,975	13.2	20,823	11.3	107,152	13.7	16.3
90-95	1,931	4.5	193,587	8.3	36,602	8.3	156,985	8.3	18.9
95-99	1,848	4.3	320,165	13.2	75,711	16.4	244,454	12.4	23.7
Top 1 Percent	392	0.9	2,732,867	23.9	1,008,322	46.3	1,724,545	18.6	36.9
Top 0.1 Percent	43	0.1	11,765,808	11.2	4,611,795	23.1	7,154,013	8.4	39.2

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

* Less than 0.05

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

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