

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	44,500	25.8	1.8	-12.4	-333	-1.7	2.8
Second Quintile	37,598	21.8	0.3	-3.9	-124	-0.3	8.3
Middle Quintile	35,272	20.4	-0.1	1.1	39	0.0	14.8
Fourth Quintile	28,346	16.4	-0.3	8.7	368	0.2	17.4
Top Quintile	25,147	14.6	-1.5	106.4	5,052	1.1	26.8
All	172,542	100.0	-0.7	100.0	692	0.5	20.8
Addendum							
80-90	12,783	7.4	-0.1	2.2	206	0.1	19.5
90-95	6,110	3.5	-0.5	6.0	1,165	0.4	21.7
95-99	4,968	2.9	-1.5	25.5	6,116	1.2	25.5
Top 1 Percent	1,286	0.8	-3.1	72.8	67,564	2.1	35.4
Top 0.1 Percent	130	0.1	-3.5	35.3	323,609	2.3	37.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 5.9

(1) Calendar year. Baseline is current law. Proposal would (a) extend ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) provide incentives for job creation, clean energy, and manufacturing; (d) provide incentives for investment in infrastructure; (e) increase earned income tax credit for taxpayers without qualifying children by doubling maximum credit and expanding age eligibility; (f) implement auto-IRA provision with small employer credit; (g) expand child and dependent care credit for qualifying children under 5; (h) exclude Pell Grants from income and tax credit calculations; (i) limit the value of itemized deductions and certain other deductions and exclusions to 28 percent; (j) enact the Fair Share Tax ("Buffett rule"); (k) restore 2009 estate tax law (45 percent rate and \$3.5 million unindexed exemption); (l) impose a financial crisis responsibility fee; (m) tax carried interests (profits) as ordinary income; (n) limit accrual in tax favored retirement accounts; (o) conform SECA taxes for professional service businesses; (p) reinstate Superfund income and excise taxes; (q) increase tobacco excise taxes and index for inflation; (r) make unemployment insurance surtax permanent and expand FUTA base; (s) eliminate deduction for dividends from employee stock ownership plans; and (t) simplify rules for claiming the childless EITC. 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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$26,827; 40% \$54,460; 60% \$95,241; 80% \$156,821; 90% \$230,152; 95% \$304,802; 99% \$779,814; 99.9% \$4,723,866.

(4) After-tax income is expanded 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 expanded cash income.

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	1.8	-12.4	-333	-37.6	-0.4	0.5	-1.7	2.8	
Second Quintile	0.3	-3.9	-124	-3.0	-0.2	3.4	-0.3	8.3	
Middle Quintile	-0.1	1.1	39	0.3	-0.3	10.3	0.0	14.8	
Fourth Quintile	-0.3	8.7	368	1.4	-0.2	16.5	0.2	17.4	
Top Quintile	-1.5	106.4	5,052	4.2	1.0	69.1	1.1	26.8	
All	-0.7	100.0	692	2.7	0.0	100.0	0.5	20.8	
Addendum									
80-90	-0.1	2.2	206	0.5	-0.3	12.8	0.1	19.5	
90-95	-0.5	6.0	1,165	1.7	-0.1	9.5	0.4	21.7	
95-99	-1.5	25.5	6,116	4.8	0.3	14.7	1.2	25.5	
Top 1 Percent	-3.1	72.8	67,564	6.3	1.1	32.2	2.1	35.4	
Top 0.1 Percent	-3.5	35.3	323,609	6.4	0.5	15.3	2.3	37.6	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	44,500	25.8	19,943	4.0	886	0.9	19,057	4.9	4.4
Second Quintile	37,598	21.8	48,962	8.4	4,182	3.5	44,780	9.6	8.5
Middle Quintile	35,272	20.4	90,176	14.5	13,318	10.6	76,857	15.5	14.8
Fourth Quintile	28,346	16.4	152,357	19.7	26,158	16.7	126,199	20.4	17.2
Top Quintile	25,147	14.6	466,904	53.5	120,213	68.1	346,691	49.8	25.8
All	172,542	100.0	127,159	100.0	25,734	100.0	101,425	100.0	20.2
Addendum									
80-90	12,783	7.4	232,985	13.6	45,260	13.0	187,725	13.7	19.4
90-95	6,110	3.5	326,077	9.1	69,597	9.6	256,479	9.0	21.3
95-99	4,968	2.9	528,443	12.0	128,370	14.4	400,073	11.4	24.3
Top 1 Percent	1,286	0.8	3,222,719	18.9	1,073,976	31.1	2,148,743	15.8	33.3
Top 0.1 Percent	130	0.1	14,263,796	8.5	5,032,507	14.7	9,231,289	6.9	35.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 5.9

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<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 adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$26,827; 40% \$54,460; 60% \$95,241; 80% \$156,821; 90% \$230,152; 95% \$304,802; 99% \$779,814; 99.9% \$4,723,866.

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(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 expanded cash income.

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.4	-13.7	-452	-164.2	-0.4	-0.1	-2.4	-0.9
Second Quintile	0.4	-4.2	-138	-4.1	-0.2	2.6	-0.3	7.5
Middle Quintile	0.0	0.4	13	0.1	-0.2	7.9	0.0	13.0
Fourth Quintile	-0.1	1.7	63	0.3	-0.4	16.1	0.1	16.9
Top Quintile	-1.5	115.8	4,361	4.3	1.1	73.3	1.1	26.5
All	-0.7	100.0	692	2.7	0.0	100.0	0.5	20.8
Addendum								
80-90	-0.3	7.1	524	1.4	-0.2	13.9	0.3	19.7
90-95	-0.6	8.2	1,271	2.1	-0.1	10.3	0.5	21.4
95-99	-1.3	25.2	4,639	4.3	0.2	16.1	1.0	25.0
Top 1 Percent	-3.2	75.4	60,738	6.4	1.1	33.1	2.1	35.3
Top 0.1 Percent	-3.6	38.3	301,529	6.7	0.6	16.0	2.4	37.6

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	36,160	21.0	18,975	3.1	275	0.2	18,700	3.9	1.5
Second Quintile	36,291	21.0	43,302	7.2	3,399	2.8	39,903	8.3	7.9
Middle Quintile	33,999	19.7	81,191	12.6	10,550	8.1	70,641	13.7	13.0
Fourth Quintile	32,725	19.0	132,960	19.8	22,430	16.5	110,531	20.7	16.9
Top Quintile	31,689	18.4	397,610	57.4	101,137	72.2	296,473	53.7	25.4
All	172,542	100.0	127,159	100.0	25,734	100.0	101,425	100.0	20.2
Addendum									
80-90	16,056	9.3	199,688	14.6	38,903	14.1	160,785	14.8	19.5
90-95	7,679	4.5	283,721	9.9	59,560	10.3	224,161	9.8	21.0
95-99	6,472	3.8	454,467	13.4	108,880	15.9	345,587	12.8	24.0
Top 1 Percent	1,482	0.9	2,883,799	19.5	957,024	31.9	1,926,774	16.3	33.2
Top 0.1 Percent	152	0.1	12,799,934	8.9	4,514,145	15.4	8,285,789	7.2	35.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

Number of AMT Taxpayers (millions). Baseline: 6.1 Proposal: 5.9

(1) Calendar year. Baseline is current law. Proposal would (a) extend ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) provide incentives for job creation, clean energy, and manufacturing; (d) provide incentives for investment in infrastructure; (e) increase earned income tax credit for taxpayers without qualifying children by doubling maximum credit and expanding age eligibility; (f) implement auto-IRA provision with small employer credit; (g) expand child and dependent care credit for qualifying children under 5; (h) exclude Pell Grants from income and tax credit calculations; (i) limit the value of itemized deductions and certain other deductions and exclusions to 28 percent; (j) enact the Fair Share Tax ("Buffett rule"); (k) restore 2009 estate tax law (45 percent rate and \$3.5 million unindexed exemption); (l) impose a financial crisis responsibility fee; (m) tax carried interests (profits) as ordinary income; (n) limit accrual in tax favored retirement accounts; (o) conform SECA taxes for professional service businesses; (p) reinstate Superfund income and excise taxes; (q) increase tobacco excise taxes and index for inflation; (r) make unemployment insurance surtax permanent and expand FUTA base; (s) eliminate deduction for dividends from employee stock ownership plans; and (t) simplify rules for claiming the childless EITC. For a description of TPC's current law baseline, see:

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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 2013 dollars): 20% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,371; 99% \$473,923; 99.9% \$2,793,265.

(4) After-tax income is expanded 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 expanded cash income.

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵		
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	2.6	-21.0	-350	-34.8	-0.8	1.4	-2.4	4.5	
Second Quintile	0.2	-3.5	-63	-2.2	-0.3	5.5	-0.2	8.7	
Middle Quintile	-0.1	2.2	52	0.7	-0.3	11.6	0.1	13.2	
Fourth Quintile	-0.3	7.1	209	1.2	-0.5	20.6	0.2	18.5	
Top Quintile	-2.4	115.0	4,552	7.1	2.0	60.6	1.8	27.3	
All	-0.8	100.0	456	3.6	0.0	100.0	0.7	19.4	
Addendum									
80-90	-1.3	20.6	1,439	5.0	0.2	15.1	1.0	21.5	
90-95	-1.3	9.9	1,915	4.7	0.1	7.8	1.0	22.2	
95-99	-2.3	26.6	5,484	7.1	0.5	14.1	1.7	25.8	
Top 1 Percent	-5.0	57.8	65,729	9.4	1.2	23.6	3.3	38.1	
Top 0.1 Percent	-5.6	29.7	331,782	9.4	0.6	12.1	3.5	40.9	

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	20,234	27.4	14,557	5.9	1,004	2.2	13,553	6.8	6.9
Second Quintile	18,704	25.3	32,828	12.4	2,903	5.9	29,926	13.9	8.8
Middle Quintile	14,241	19.3	59,609	17.1	7,790	12.0	51,819	18.3	13.1
Fourth Quintile	11,410	15.4	94,226	21.7	17,177	21.1	77,049	21.8	18.2
Top Quintile	8,509	11.5	251,068	43.1	64,020	58.7	187,048	39.5	25.5
All	73,898	100.0	67,132	100.0	12,566	100.0	54,566	100.0	18.7
Addendum									
80-90	4,827	6.5	140,001	13.6	28,681	14.9	111,320	13.3	20.5
90-95	1,749	2.4	193,289	6.8	41,009	7.7	152,280	6.6	21.2
95-99	1,636	2.2	321,231	10.6	77,337	13.6	243,894	9.9	24.1
Top 1 Percent	296	0.4	2,015,244	12.0	702,424	22.4	1,312,820	9.6	34.9
Top 0.1 Percent	30	0.0	9,446,746	5.7	3,532,616	11.5	5,914,130	4.4	37.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

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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 2013 dollars): 20% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,371; 99% \$473,923; 99.9% \$2,793,265.

(4) After-tax income is expanded 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 expanded cash income.

Table T14-0054
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All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.1	-3.4	-541	-393.7	-0.1	-0.1	-2.0	-1.5
Second Quintile	0.5	-2.6	-249	-5.3	-0.1	1.3	-0.4	7.6
Middle Quintile	0.0	0.0	1	0.0	-0.2	5.4	0.0	12.6
Fourth Quintile	0.0	-0.5	-27	-0.1	-0.4	13.9	0.0	16.1
Top Quintile	-1.3	106.5	4,294	3.7	0.7	79.4	0.9	26.3
All	-0.8	100.0	1,281	2.7	0.0	100.0	0.6	22.2
Addendum								
80-90	-0.1	1.5	127	0.3	-0.3	13.8	0.1	19.1
90-95	-0.4	6.8	1,061	1.6	-0.1	11.4	0.3	21.2
95-99	-1.1	23.1	4,383	3.6	0.2	17.5	0.9	24.7
Top 1 Percent	-2.8	75.1	58,705	5.8	1.1	36.7	1.9	34.8
Top 0.1 Percent	-3.3	37.3	293,142	6.1	0.6	17.3	2.1	37.1

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	5,436	8.0	26,576	1.0	137	0.0	26,439	1.2	0.5
Second Quintile	9,236	13.5	58,765	3.7	4,707	1.4	54,058	4.3	8.0
Middle Quintile	13,569	19.9	103,303	9.4	13,028	5.5	90,275	10.5	12.6
Fourth Quintile	17,691	25.9	160,423	19.1	25,910	14.3	134,513	20.4	16.2
Top Quintile	21,701	31.8	458,255	67.0	116,082	78.6	342,173	63.8	25.3
All	68,289	100.0	217,501	100.0	46,927	100.0	170,574	100.0	21.6
Addendum									
80-90	10,343	15.2	230,259	16.0	43,864	14.2	186,395	16.6	19.1
90-95	5,634	8.3	314,419	11.9	65,471	11.5	248,948	12.0	20.8
95-99	4,605	6.7	505,519	15.7	120,623	17.3	384,896	15.2	23.9
Top 1 Percent	1,119	1.6	3,094,372	23.3	1,019,414	35.6	2,074,958	19.9	32.9
Top 0.1 Percent	111	0.2	13,726,125	10.3	4,804,760	16.7	8,921,365	8.5	35.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

(1) Calendar year. Baseline is current law. Proposal would (a) extend ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) provide incentives for job creation, clean energy, and manufacturing; (d) provide incentives for investment in infrastructure; (e) increase earned income tax credit for taxpayers without qualifying children by doubling maximum credit and expanding age eligibility; (f) implement auto-IRA provision with small employer credit; (g) expand child and dependent care credit for qualifying children under 5; (h) exclude Pell Grants from income and tax credit calculations; (i) limit the value of itemized deductions and certain other deductions and exclusions to 28 percent; (j) enact the Fair Share Tax ("Buffett rule"); (k) restore 2009 estate tax law (45 percent rate and \$3.5 million unindexed exemption); (l) impose a financial crisis responsibility fee; (m) tax carried interests (profits) as ordinary income; (n) limit accrual in tax favored retirement accounts; (o) conform SECA taxes for professional service businesses; (p) reinstate Superfund income and excise taxes; (q) increase tobacco excise taxes and index for inflation; (r) make unemployment insurance surtax permanent and expand FUTA base; (s) eliminate deduction for dividends from employee stock ownership plans; and (t) simplify rules for claiming the childless EITC. For a description of TPC's current law baseline, see:

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,371; 99% \$473,923; 99.9% \$2,793,265.

(4) After-tax income is expanded 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 expanded cash income.

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.5	103.0	-628	53.7	-3.3	-9.0	-2.6	-7.5
Second Quintile	0.4	26.3	-213	-7.5	-0.5	10.0	-0.4	5.2
Middle Quintile	0.1	6.7	-78	-0.7	0.7	30.2	-0.1	13.6
Fourth Quintile	0.0	-0.9	21	0.1	1.0	31.3	0.0	17.9
Top Quintile	-1.0	-36.2	2,411	3.1	2.2	37.4	0.8	26.1
All	0.4	100.0	-230	-3.0	0.0	100.0	-0.4	11.7
Addendum								
80-90	-0.1	-1.1	113	0.3	0.4	10.9	0.1	20.9
90-95	-0.4	-2.2	855	1.4	0.2	4.9	0.3	23.3
95-99	-1.1	-8.1	3,271	3.4	0.5	7.5	0.8	25.1
Top 1 Percent	-2.8	-24.8	47,743	5.7	1.2	14.2	1.9	34.7
Top 0.1 Percent	-3.1	-11.6	265,862	5.7	0.5	6.6	2.0	37.0

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	10,087	37.7	23,866	14.0	-1,170	-5.7	25,036	16.7	-4.9
Second Quintile	7,600	28.4	50,782	22.5	2,862	10.5	47,920	24.1	5.6
Middle Quintile	5,258	19.6	85,209	26.1	11,645	29.5	73,564	25.6	13.7
Fourth Quintile	2,767	10.3	127,009	20.5	22,741	30.4	104,268	19.1	17.9
Top Quintile	923	3.5	312,466	16.8	78,974	35.2	233,492	14.3	25.3
All	26,775	100.0	64,080	100.0	7,743	100.0	56,337	100.0	12.1
Addendum									
80-90	577	2.2	180,975	6.1	37,707	10.5	143,268	5.5	20.8
90-95	161	0.6	261,097	2.5	60,083	4.7	201,014	2.2	23.0
95-99	153	0.6	391,241	3.5	95,030	7.0	296,211	3.0	24.3
Top 1 Percent	32	0.1	2,574,380	4.8	844,264	13.0	1,730,116	3.7	32.8
Top 0.1 Percent	3	0.0	13,287,094	2.1	4,647,713	6.0	8,639,381	1.5	35.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

(1) Calendar year. Baseline is current law. Proposal would (a) extend ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) provide incentives for job creation, clean energy, and manufacturing; (d) provide incentives for investment in infrastructure; (e) increase earned income tax credit for taxpayers without qualifying children by doubling maximum credit and expanding age eligibility; (f) implement auto-IRA provision with small employer credit; (g) expand child and dependent care credit for qualifying children under 5; (h) exclude Pell Grants from income and tax credit calculations; (i) limit the value of itemized deductions and certain other deductions and exclusions to 28 percent; (j) enact the Fair Share Tax ("Buffett rule"); (k) restore 2009 estate tax law (45 percent rate and \$3.5 million unindexed exemption); (l) impose a financial crisis responsibility fee; (m) tax carried interests (profits) as ordinary income; (n) limit accrual in tax favored retirement accounts; (o) conform SECA taxes for professional service businesses; (p) reinstate Superfund income and excise taxes; (q) increase tobacco excise taxes and index for inflation; (r) make unemployment insurance surtax permanent and expand FUTA base; (s) eliminate deduction for dividends from employee stock ownership plans; and (t) simplify rules for claiming the childless EITC. For a description of TPC's current law baseline, see:

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<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 2013 dollars): 20% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,371; 99% \$473,923; 99.9% \$2,793,265.

(4) After-tax income is expanded 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 expanded cash income.

Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.5	-29.7	-682	44.5	-0.5	-1.6	-2.7	-8.7
Second Quintile	0.6	-13.4	-340	-9.1	-0.3	2.2	-0.6	5.8
Middle Quintile	0.1	-2.8	-72	-0.5	-0.2	9.3	-0.1	13.4
Fourth Quintile	0.1	-4.1	-111	-0.4	-0.4	18.0	-0.1	16.8
Top Quintile	-1.3	150.5	4,860	3.6	1.3	71.9	0.9	26.9
All	-0.4	100.0	525	1.7	0.0	100.0	0.3	20.0
Addendum								
80-90	-0.1	2.5	163	0.3	-0.2	13.9	0.1	19.9
90-95	-0.8	17.8	2,182	2.8	0.1	10.9	0.6	22.0
95-99	-1.6	39.9	7,128	4.7	0.4	14.9	1.2	26.0
Top 1 Percent	-2.5	90.2	58,714	4.9	1.0	32.3	1.7	35.4
Top 0.1 Percent	-2.8	41.3	281,709	5.0	0.5	14.4	1.8	37.4

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	12,783	22.9	25,475	3.7	-1,535	-1.1	27,010	4.9	-6.0
Second Quintile	11,562	20.7	58,693	7.7	3,742	2.5	54,951	9.0	6.4
Middle Quintile	11,260	20.2	108,192	13.9	14,573	9.5	93,619	14.9	13.5
Fourth Quintile	10,716	19.2	175,109	21.3	29,599	18.4	145,510	22.1	16.9
Top Quintile	9,078	16.3	518,134	53.5	134,237	70.6	383,897	49.3	25.9
All	55,806	100.0	157,555	100.0	30,938	100.0	126,617	100.0	19.6
Addendum									
80-90	4,587	8.2	267,619	14.0	52,955	14.1	214,664	13.9	19.8
90-95	2,398	4.3	364,164	9.9	77,821	10.8	286,343	9.7	21.4
95-99	1,642	2.9	611,192	11.4	151,741	14.4	459,451	10.7	24.8
Top 1 Percent	450	0.8	3,551,563	18.2	1,199,171	31.3	2,352,392	15.0	33.8
Top 0.1 Percent	43	0.1	15,743,917	7.7	5,599,871	13.9	10,144,047	6.2	35.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

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 ARRA enhancements to the refundable child tax credit and earned income tax credit; (b) replace Hope credit with the American Opportunity Tax Credit; (c) provide incentives for job creation, clean energy, and manufacturing; (d) provide incentives for investment in infrastructure; (e) increase earned income tax credit for taxpayers without qualifying children by doubling maximum credit and expanding age eligibility; (f) implement auto-IRA provision with small employer credit; (g) expand child and dependent care credit for qualifying children under 5; (h) exclude Pell Grants from income and tax credit calculations; (i) limit the value of itemized deductions and certain other deductions and exclusions to 28 percent; (j) enact the Fair Share Tax ("Buffett rule"); (k) restore 2009 estate tax law (45 percent rate and \$3.5 million unindexed exemption); (l) impose a financial crisis responsibility fee; (m) tax carried interests (profits) as ordinary income; (n) limit accrual in tax favored retirement accounts; (o) conform SECA taxes for professional service businesses; (p) reinstate Superfund income and excise taxes; (q) increase tobacco excise taxes and index for inflation; (r) make unemployment insurance surtax permanent and expand FUTA base; (s) eliminate deduction for dividends from employee stock ownership plans; and (t) simplify rules for claiming the childless EITC. For a description of TPC's current law baseline, see:

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<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 2013 dollars): 20% \$18,678; 40% \$35,821; 60% \$60,717; 80% \$95,966; 90% \$135,210; 95% \$184,371; 99% \$473,923; 99.9% \$2,793,265.

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

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Table T14-0054
Administration's FY 2015 Budget Proposal
All Major Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	-0.2	-20	-12.9	0.0	0.1	-0.1	0.8
Second Quintile	0.1	-0.4	-24	-2.4	-0.1	1.1	-0.1	2.7
Middle Quintile	-0.1	1.0	51	0.9	-0.3	6.1	0.1	8.1
Fourth Quintile	-0.3	4.0	279	1.8	-0.6	13.5	0.2	13.6
Top Quintile	-2.5	95.4	6,700	7.8	1.0	79.2	1.9	26.0
All	-1.4	100.0	1,320	6.4	0.0	100.0	1.1	18.9
Addendum								
80-90	-1.2	11.8	1,661	5.8	-0.1	12.9	1.0	17.6
90-95	-0.9	6.0	1,731	3.7	-0.3	10.0	0.7	19.7
95-99	-1.9	17.4	5,911	6.5	0.0	17.0	1.5	24.0
Top 1 Percent	-4.9	60.2	85,166	10.1	1.3	39.3	3.3	35.9
Top 0.1 Percent	-5.8	30.9	429,476	10.9	0.8	18.8	3.8	38.5

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

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	5,833	13.3	17,250	2.0	153	0.1	17,097	2.4	0.9
Second Quintile	10,414	23.7	36,841	7.5	1,034	1.2	35,807	8.9	2.8
Middle Quintile	10,781	24.5	67,748	14.2	5,409	6.4	62,339	15.9	8.0
Fourth Quintile	8,405	19.1	114,203	18.7	15,266	14.1	98,937	19.7	13.4
Top Quintile	8,262	18.8	357,289	57.6	86,257	78.1	271,032	53.1	24.1
All	43,929	100.0	116,731	100.0	20,763	100.0	95,968	100.0	17.8
Addendum									
80-90	4,122	9.4	171,828	13.8	28,611	12.9	143,218	14.0	16.7
90-95	2,025	4.6	243,653	9.6	46,264	10.3	197,388	9.5	19.0
95-99	1,704	3.9	403,624	13.4	90,963	17.0	312,661	12.6	22.5
Top 1 Percent	410	0.9	2,590,079	20.7	843,650	37.9	1,746,429	17.0	32.6
Top 0.1 Percent	42	0.1	11,326,380	9.2	3,934,661	18.0	7,391,719	7.3	34.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-3).

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

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