

**T04-0121**

**Income Subject to Tax and Effective Marginal Tax Rates in the Regular Income Tax and the AMT Among  
AMT Taxpayers, Current Law<sup>1</sup>  
2004 Calendar Year**

Cash Income Class (thousands of 2003\$) <sup>2</sup>	Percent With More Income Subject to Tax In <sup>3</sup>		Average Adjustments and Preferences <sup>4</sup>	Percent With a Higher Marginal Tax Rate In <sup>5</sup>		Average Effective Marginal Tax Rate (percent) <sup>6</sup>	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
	<b>All</b>	<b>69.4</b>		<b>30.6</b>	<b>43,211</b>	<b>29.7</b>	<b>67.5</b>
Less than 30	*	100.0	80,426	*	34.6	0.3	9.1
30-50	64.5	35.5	53,247	*	95.7	10.9	24.9
50-75	90.9	9.1	25,717	*	99.6	18.8	26.0
75-100	93.8	6.2	29,885	12.5	85.2	20.0	26.4
100-200	91.7	8.3	34,303	11.0	88.5	26.2	29.4
200-500	65.1	34.9	34,119	35.1	64.8	32.5	33.0
500-1,000	13.3	86.7	73,621	71.5	28.3	31.7	28.8
More than 1,000	14.7	85.3	310,925	69.2	29.5	29.0	26.6

**2010 Calendar Year**

Cash Income Class (thousands of 2003\$) <sup>2</sup>	Percent With More Income Subject to Tax In <sup>3</sup>		Average Adjustments and Preferences <sup>4</sup>	Percent With a Higher Marginal Tax Rate In <sup>5</sup>		Average Effective Marginal Tax Rate (percent) <sup>6</sup>	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
	<b>All</b>	<b>87.0</b>		<b>13.0</b>	<b>24,901</b>	<b>7.6</b>	<b>92.2</b>
Less than 30	86.3	13.7	28,082	6.1	93.9	13.6	24.5
30-50	97.5	2.5	15,772	2.5	97.4	17.6	26.0
50-75	98.7	1.3	21,084	1.3	98.6	18.0	26.3
75-100	99.1	0.9	21,125	2.9	97.0	20.8	26.8
100-200	96.9	3.1	21,887	5.1	94.9	26.4	28.7
200-500	37.6	62.4	31,757	19.3	80.1	30.0	32.5
500-1,000	10.5	89.5	68,425	71.2	25.6	32.0	28.6
More than 1,000	12.2	87.8	276,027	59.8	30.8	29.9	28.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0304-3).

\* Less than 0.05 percent.

(1) AMT taxpayers include those with AMT liability from Form 6251 and those with lost credits.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Income subject to tax for the regular income tax is taxable income; for the AMT it is AMTI net of the AMT exemption.

(4) Amounts are in nominal dollars to facilitate comparison with AMT exemption amounts. For 2004, the AMT exemption is \$58,000 for married couples filing jointly and surviving spouses; \$40,250 for unmarried individuals other than surviving spouses; and \$29,000 for married individuals filing separately. For 2010, the exemption amounts are \$45,000, \$33,750, and \$22,500 respectively.

(5) The marginal tax rate for each return is calculated by adding \$1,000 to wages, recomputing income tax net of refundable credits, and dividing the resulting change in tax liability by 1,000.

(6) Marginal tax rates represent a simple average across individuals.