

Table T05-0280
Effect of Extending AMT Provisions:
Distribution of Federal Tax Change by Cash Income Class, 2006¹

Cash Income Class (thousands of 2005 dollars) ²	Percent of Tax Units 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	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	4.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	10.0
30-40	0.3	0.0	0.0	0.1	-2	0.0	0.1	4.1	0.0	14.4
40-50	2.1	0.0	0.0	0.4	-11	-0.1	0.1	4.8	0.0	16.7
50-75	6.7	0.0	0.1	3.4	-48	-0.4	0.1	12.8	-0.1	18.5
75-100	31.1	0.1	0.4	12.3	-289	-1.6	0.0	11.5	-0.3	20.0
100-200	64.6	0.3	1.0	52.4	-1,012	-3.2	-0.4	24.2	-0.7	22.3
200-500	81.6	1.2	1.0	30.6	-2,255	-3.0	-0.2	15.5	-0.8	25.3
500-1,000	15.0	0.3	0.1	0.7	-287	-0.2	0.1	6.5	0.0	26.9
More than 1,000	5.5	0.8	0.0	0.1	-102	0.0	0.3	16.7	0.0	30.8
All	12.8	0.1	0.4	100.0	-200	-1.5	0.0	100.0	-0.3	20.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Class, 2006¹

Cash Income Class (thousands of 2005 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Less than 10	18,886	12.9	5,743	217	5,527	3.8	1.2	1.4	0.2
10-20	25,413	17.4	15,208	722	14,486	4.8	4.2	5.1	0.9
20-30	20,374	13.9	25,206	2,525	22,681	10.0	5.6	6.4	2.6
30-40	15,429	10.5	35,525	5,113	30,411	14.4	5.9	6.5	4.0
40-50	11,963	8.2	45,636	7,649	37,988	16.8	5.9	6.3	4.7
50-75	21,121	14.4	62,649	11,666	50,983	18.6	14.4	14.8	12.5
75-100	12,455	8.5	87,930	17,921	70,009	20.4	11.9	12.0	11.4
100-200	15,196	10.4	136,287	31,637	104,649	23.2	22.5	21.9	24.5
200-500	3,988	2.7	292,415	77,302	215,113	26.4	12.7	11.8	15.7
500-1,000	668	0.5	690,594	189,799	500,795	27.5	5.0	4.6	6.5
More than 1,000	345	0.2	2,994,463	960,596	2,033,867	32.1	11.2	9.7	16.9
All	146,417	100.0	62,970	13,418	49,552	21.3	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0305-3A), revised May 10, 2006 (baseline distribution updated).

(1) Calendar year. Baseline is current law. Provisions include extending the AMT treatment of personal non-refundable credits; maintain 2005 AMT exemption levels (\$58,000 for married filing jointly and \$40,250 for others).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(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.