

**Average Pretax and After-tax Incomes under Alternative Tax Policies  
by Cash Income Percentile, 2013**

Cash Income Percentile <sup>1,2</sup>	Pretax Income	After-tax Income <sup>3</sup>				
		Pre-EGTRRA Law	2008 Tax Law <sup>4</sup>	2011 Tax Law, No Health <sup>6</sup>	2011 Tax Law, No Health <sup>6</sup> w/Health <sup>7</sup>	President's Proposal <sup>5</sup>
Lowest Quintile	10,122	9,739	9,775	9,937	9,937	9,937
Second Quintile	27,586	24,618	25,142	25,332	25,349	25,346
Middle Quintile	50,739	41,941	42,920	43,027	43,047	43,037
Fourth Quintile	87,197	68,668	70,743	70,813	70,778	70,760
Top Quintile	272,779	195,583	204,011	204,257	199,347	198,147
All Tax Units	72381	55,647	57,528	57,680	56,971	56,797
80 <sup>th</sup> -90 <sup>th</sup> Percentile	136,031	102,717	106,771	106,907	106,730	106,703
90 <sup>th</sup> -95 <sup>th</sup> Percentile	193,370	143,635	149,069	149,204	148,876	148,856
95 <sup>th</sup> -99 <sup>th</sup> Percentile	338,609	246,372	255,379	255,480	251,857	251,045
Top 1 Percent	1,767,267	1,177,000	1,240,975	1,243,803	1,163,922	1,143,598
Top 0.1 Percent	7,871,135	4,966,686	5,291,764	5,304,358	4,867,510	4,747,869

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) 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>

(2) The cash 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 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

(3) Average pretax income minus individual and corporate income taxes and payroll taxes that finance Social Security and Medicare.

(4) 2008 tax law does not include stimulus provisions.

(5) Calendar year. The president's proposal would: repeal certain provisions in the 2001 and 2003 individual income tax cuts for married taxpayers with incomes greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009, as proposed in Administration's FY2012 budget; reinstate 2009 estate tax rate and exemption, unindexed; limit the value of all itemized deductions and certain other tax expenditures to 28 percent for married taxpayers with AGI greater than \$250,000 (\$200,000 for singles), indexed for inflation after 2009; tax carried interest in investment partnerships as ordinary income; close loopholes for corporate jet depreciation; repeal oil and gas subsidies; broaden business tax base; and make certain changes to international taxation. Estimates assume that taxpayers would adjust their investment portfolio and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(6) This option leaves out three provisions of the 2010 Health Act: the 0.9 percent increase in Medicare tax on earnings, the 3.8 percent tax on other income, and the higher threshold for deducting medical expenses.

(7) This option includes three provisions of the 2010 Health Act: the 0.9 percent increase in Medicare tax on earnings, the 3.8 percent tax on other income, and the higher threshold for deducting medical expenses.

