

The Individual Alternative Minimum Tax: A Data Update

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The individual alternative minimum tax (AMT) was intended to guarantee that high income people paid at least some tax, but it is poorly designed in several respects. Most notably, it is not indexed for inflation, which means that normal price level increases cause more and more comparatively modest-income households to be subject to the complicated shadow tax system. In addition, the tax does not effectively close the shelters it is intended to address, in part because of the way it treats capital gains. The individual income tax cuts enacted in 2001 and 2003 will exacerbate this problem. In consequence, absent a change in law, close to 30 million taxpayers will become subject to the AMT by 2010.

The Tax Policy Center has written extensively about the AMT.¹ This data update presents new data for the tables in our July 2003 *Tax Notes* article and expands on the reform options presented in the Spring 2003 *Journal of Economic Perspectives* article. We also briefly explain the tables. We will release a complete report focusing on reform options in the Fall.

Why do the Estimates Change?

Tables 1 through 6 update estimates that we published in July 2003. We currently project that 29.2 million taxpayers will be subject to the AMT in 2010 (meaning either that they have to pay AMT or they lose tax credits because of the AMT). This is somewhat lower than the 33.1 million estimated in the previous report. The estimates are lower primarily because projected income growth has declined relative to the estimates made a year ago. (Our economic assumptions are taken from projections made annually by the Congressional Budget Office (CBO); current projections call for slower income growth than had been expected last year).² Estimates by the Congress's Joint Committee on Taxation are similarly reduced from a year ago.

AMT Projections: 2004-2014

Table 1 shows projections of AMT taxpayers and tax revenue for calendar years 2004 through 2014 in terms of three baselines.³ The first baseline is current law. The number of AMT taxpayers jumps in 2005 after temporary relief expires. It grows through 2010, reaching 29.2 million returns, but then declines after the 2001 and 2003 tax cuts expire. Since regular tax liability increases in 2011, many more people have regular tax greater than tentative AMT, meaning that they are no longer AMT taxpayers.

The second baseline is pre-EGTRRA law—that is, before the 2001 and 2003 tax cuts. This cuts the number of AMT taxpayers by more than half between 2005 and 2010. After that, the two baselines are identical (since all of the provisions of the 2001 and 2003 tax cuts expire by the end of 2010).

¹ See, e.g., Leonard E. Burman, William G. Gale, and Jeffrey Rohaly, "The AMT: Projections and Problems," *Tax Notes*, July 7, 2003; and Leonard E. Burman, William G. Gale, and Jeffrey Rohaly, "The Expanding Reach of the Individual Alternative Minimum Tax," *Journal of Economic Perspectives*, Volume 17, Number 2, Spring 2003. Both articles are available online at www.taxpolicycenter.org.

² In the past year, the TPC also updated the microsimulation model used to generate the results reported in this paper. The updates employed more current tax data and estimates published by the IRS.

³ The table shows tax liability for the calendar year.

The third baseline assumes that the non-AMT provisions of the 2001 and 2003 tax cuts are extended permanently. The speed up in the rate cuts and marriage penalty relief, enacted in 2003, but only for two years, is made permanent. The cuts in taxes on capital gains and dividends are extended beyond 2008, and the rest of the tax cuts are extended permanently after 2010. The consequence of all these changes is that the number of AMT taxpayers is higher every year and explodes beyond 2010. By 2014, we project that almost 40 million tax returns will owe AMT under this scenario. (The data for all three baselines are also shown on **Figure 1**.)

The rest of the table shows related projections. Both the percentage of taxpayers on the AMT and the revenues attributable to AMT grow apace with the number of taxpayers. The fifth panel shows the growing importance of AMT to overall income tax revenues. By 2010, the AMT is projected to be more than eight percent of total income tax collections. If current law is extended, the AMT will account for more than 11 percent of revenues by 2014.

The next panel shows the growing share of adjusted gross income (AGI) that will be on tax returns affected by the AMT. By 2010, almost half of income will be on AMT returns.

The last panel shows what would happen if the AMT were the only tax. The cost of repealing the regular income tax declines markedly over the decade. By 2009, it would cost less to repeal the regular income tax and keep the AMT (\$72.0 billion) than it would to repeal the AMT and keep the income tax (\$85.5 billion). This is illustrated graphically in Figure 2.

Table 2 shows estimates of the percentage of tax units in different categories affected by the AMT in selected years, and under different assumptions about the tax laws in effect. The first two rows show the percentage of taxpayers (those who owe at least some tax after credits) and all tax filers (including nontaxable returns) who will be subject to the AMT. The first panel reproduces the trends discussed in Table 1. The next panel shows that the likelihood of being on the AMT increases with income, but only up to a point—households with income above \$1 million are always less likely to be on the AMT than those with somewhat smaller incomes. Moreover, the percentage of middle class returns on the AMT explodes over time. By 2010, more than half of tax returns with incomes between \$75,000 and \$100,000 will be affected. (These trends are also shown in **Figures 3 and 4**.)

Having more children or living in a high-tax state raises one's risk of AMT participation. A striking fact is that married couples are more than six times as likely to be on the AMT as singles. By the end of the decade, that ratio increases to almost 20 times. Combining risk factors, virtually all (94 percent) of married couples with two or more children and AGI between \$75,000 and \$100,000 will be on the AMT by 2010.

Table 3 shows the average amount of additional tax paid by AMT taxpayers for the same groups, years, and tax laws shown in Table 2. The main point is that the tax is serious money—the average AMT taxpayer will owe over \$6,000 in additional tax in 2004. Although the average AMT bill will fall when the exemption decreases in 2005, it will then creep back up over time, especially if the tax cuts are extended.

Table 4 provides some more detailed distributional information, and comparisons with the entire population of tax units. The last two columns show that the AMT is more progressive than the regular income tax, except for those with very high incomes. But it is becoming less progressive over time as it morphs from a “class tax” to a “mass tax.” In 2004, less than 11 percent of the tax will be paid by those with incomes under \$200,000, and less than one percent by those with incomes under \$100,000. By 2010, almost half of the tax will be paid by those with incomes under \$200,000 (in constant 2003 dollars) and almost 12 percent by those with incomes under \$100,000.

One of the enduring myths about the alternative minimum tax is that, whatever its other faults, it taxes a broader base of income at lower marginal rates than the regular income tax. The facts are almost exactly reversed; that is, the AMT often results in *less* income subject to tax but at *higher* marginal rates than under the regular income tax. **Table 5** shows that the share of AMT taxpayers with less income taxed in the AMT than in the regular income tax is projected to rise from 69 percent in 2004 to 87 percent in 2010, including more than 97 percent of AMT taxpayers with cash income between \$30,000 and \$100,000. The share with higher marginal tax rates under the AMT than under the regular tax will rise from 68 percent in 2004 to 92 percent in 2010. This anomalous result arises because the AMT exemption is large relative to income for many middle income taxpayers. They are on the AMT because the AMT tax rate, starting at 26 percent, is much higher than their average effective income tax rate.

Table 6 shows that in 2010, the last year in which the income tax cuts enacted in 2001 and 2003 are in effect, the AMT will “take back” 29 percent of the regular income tax cut that would have occurred if the AMT did not exist. The claw back rises to 47 percent for households with cash income between \$100,000 and \$200,000 and 70 percent for those with income between \$200,000 and \$500,000. Almost 3 percent of tax filers will get no tax cut in 2010 because they are on the AMT.⁴

Tables 7-12 examine various reform options. One option would be to repeal the AMT and adjust marginal income tax rates to make up the lost revenue. A straightforward way to do that would be to adjust all rates by a constant percentage. In 2005, a four-percent income tax surtax would achieve revenue neutrality. The 10 percent bracket would increase to 10.4 percent, the top 35 percent bracket would increase to 36.4 percent, and so on. (See **Table 7**.) These estimates likely understate the necessary tax surcharge, because the AMT probably does discourage some tax shelter activity, so eliminating it would likely sacrifice regular income tax revenue, as well as AMT.

Another option would be to incorporate the AMT’s legitimate anti-shelter provisions into the regular income tax when the AMT is repealed. By increasing regular income tax revenues, this approach would allow revenue neutrality to be attained with smaller tax rate increases. Unfortunately, we are unable to estimate the required tax rates or other effects of this policy with information available in the tax model.

⁴ Note that the capital gains and dividends tax cuts, which were explicitly exempted from the AMT, are scheduled to expire before 2010.

The required proportional tax rate increase would grow over time. By 2010, the top rate would have to be over 38 percent to maintain revenues. In 2014, the proportional rate increase would be smaller in the current law baseline, because AMT revenues decline after the tax cuts expire in 2011. Nonetheless, the top income tax rate would be higher than in 2010, because the baseline income tax rates are significantly higher (39.6 percent in 2014 versus 35 percent in 2010).

A second option would be to raise only the rates that apply to higher income households—e.g., the rates above the 25-percent bracket. Taxpayers in those brackets are most likely to owe AMT, so this option shifts less of the tax burden onto those not subject to the AMT. Not surprisingly, the rates have to be higher when fewer households are sharing the cost. In 2010 and 2014, the top bracket would have to be over 43 percent to maintain revenues.

Another option is to change rates in such a way that revenues collected from taxpayers in each bracket are the same as under the baseline. This option is “distributionally neutral” across tax brackets, but there is substantial redistribution of income within brackets. Under the option, the 28 and 33 percent rates would get much higher—to 33.7 percent and 42.3 percent, respectively, in 2010. But the top rate actually falls, because relatively few taxpayers with very high incomes are on the AMT.

The next two panels repeat the same calculations under two different assumptions about the 2001 to 2003 tax cuts: (1) they are extended permanently (except for the temporary increase in AMT thresholds and the provision allowing the use of personal credits against the AMT), and (2) they are repealed. Not surprisingly, extending the tax cuts would require substantial increases in tax rates in 2014 to offset the lost revenue. Under the distributionally neutral option, the 33 percent bracket rate would have to increase to 41.4 percent in 2014. In contrast, if the tax cuts are repealed, eliminating the AMT could be financed with a much smaller increase in tax rates through 2010 than under the baseline scenario.

Tables 8a-8c illustrate that there would be a great deal of redistribution under any of the financing options. **Table 8a** examines who would lose out in 2010 under the various options shown in Table 7. Under either the current law or extended baselines, a significant fraction of lower- and middle-income households and very high-income households would experience tax increases of 1 percent or more of income. Relatively few households with incomes between \$100,000 and \$500,000 would suffer large tax increases, because they stand to gain most from eliminating the AMT, and only in the highest income category is a majority of taxpayers subject to tax increases over one percent. If the tax increase is limited to the top three brackets, then the middle class would be largely spared and very high-income people would become disproportionately likely to suffer tax increases. Under the distributionally neutral option, a significant share of taxpayers with incomes over \$50,000 would experience tax increases at every income level. The third panel of the table shows that all of these effects would be much smaller if AMT repeal were stacked against a pre-EGTRRA law baseline.

Table 8b shows the average change in tax liability under each of the scenarios. Under the first two baseline assumptions, households with incomes between \$100,000 and \$500,000 would get a tax cut, on average, and everyone else would pay higher taxes if income tax rates are

increased across the board. If the increase is limited to the top three brackets, then only those with incomes over \$500,000 see an average tax increase. The distributionally neutral rate increase would cut average taxes for those with incomes between \$75,000 and \$200,000 and over \$1 million, and raise taxes on other income groups. The story is qualitatively similar under the repeal baseline, but the magnitudes are generally smaller and in a few cases the sign changes.

Table 8c shows the same changes as in Table 8b, but expressed as a share of income. In this table, a tax cut shows up as an increase in after-tax income. The most salient feature is that the average tax changes are fairly small as a share of income—generally less than one percent—which is consistent with the fact that few taxpayers experience tax increases of as much as one percent (Table 8a). If taxes are increased across the board, only those with incomes over \$1 million experience average tax increases that are greater than 1 percent of after-tax income, and even this result does not apply if the tax cuts are repealed. Those with incomes between \$200,000 and \$500,000 experience average tax decreases of 1.7 percent of after-tax income.

Table 9 shows the effect of various reform options on the number of AMT taxpayers, revenues, the budget (that is, the change in tax revenues plus any additional interest on the national debt), and the number of high-income tax returns reporting zero income tax. The options are scored against the same three baselines as the previous options.

Repeal (Plan 1) would reduce revenues by \$562 billion over ten years compared with current law (before considering any behavioral response); \$710 billion including additional interest costs. If the 2001 to 2003 tax cuts are extended, the revenue loss will grow to \$919 billion (\$1.1 trillion including interest). If the tax cuts are repealed, the cost will fall to \$311 billion (\$378 billion including interest).⁵

A simple option (Plan 2) would extend the temporary AMT relief in effect in 2003: the higher AMT exemption, scheduled to expire after 2004, and the allowance of personal credits against the AMT, which expired at the end of 2003. That option would cost about half as much as repeal—\$291 billion in lost revenues and \$367 billion with interest. It would reduce the number of AMT taxpayers by almost 9 million in 2005 and more than 20 million in 2010. The option would have virtually no effect on the number of high-income people who pay no tax in 2010. Over time, though, the number of AMT taxpayers creeps up primarily because the exemption is not indexed for inflation.

Plan 3 would address that problem by starting with Plan 2 and indexing for inflation the AMT exemption, as well as the AMT tax bracket and exemption phaseout thresholds, starting in 2005.⁶ It would cut the number of AMT taxpayers by another 5 million in 2010, while leaving the number of zero tax returns unchanged. The revenue cost would increase by over \$80 billion, though, and the budget cost would be \$100 billion higher than Plan 2.

⁵ Although not shown in the table, note that the revenue gained from repeal of the 2001-2003 tax cuts would more than offset the cost of repealing the AMT.

⁶ The House of Representatives passed legislation, HR 4227, which would index the AMT exemption—but not the tax bracket and phaseout thresholds—in 2005, but only for one year, after which the exemption amounts would return to their 2000 levels. For a discussion, see Leonard E. Burman, “An Analysis of the 2004 House Tax Cuts,” The Tax Policy Center, http://www.urban.org/UploadedPDF/1000661_2004TaxCuts.pdf, June 2004.

Plans 4 and 5 build off of plan 3 and would remove the so-called preference items that have no plausible connection with tax shelters. In Plan 4, taxpayers would be allowed to take dependent personal exemptions (that is, deductions for their children and other dependents) —a largely middle-class tax benefit—against the AMT. Plan 5 would also allow deductions for state and local taxes and miscellaneous itemized deductions. Those deductions are of most benefit to higher-income taxpayers. The middle-class exemption costs very little stacked after Plan 3, but allowing the upper-income deductions would significantly raise the cost. The revenue loss under Plan 5 would be \$490 billion over ten years (\$619 billion including interest). Few people would remain on the AMT under this option—less than 1 million per year. The number of zero-tax returns would not be affected much by allowing the middle-class exemptions, but would grow significantly under Plan 5.

Plans 6 and 7 include modifications to the AMT designed to raise additional revenues to offset the cost of reform. Plan 6 would start with Plan 5, but replace the four AMT effective rates of 26, 32.5, 35, and 28 percent with a flat 35-percent rate.⁷ The flat rate would reduce the revenue loss by almost \$120 billion over ten years (\$150 billion including interest). It would, however, significantly increase the number of AMT taxpayers compared with Plan 5, but almost all of the new AMT taxpayers have incomes over \$100,000, and only those with incomes over \$500,000 have a higher risk of AMT participation under Plan 6 than under the baseline. (See **Table 10a.**)

Plan 7 would build on Plan 6 to achieve rough revenue neutrality over the decade (relative to the current law baseline) by taxing capital gains and dividends the same as other income under the AMT. Currently, capital gains and dividends qualify for lower tax rates under both the regular income tax and the AMT. This is a major source of tax complexity. More importantly, the capital gains tax rate differential is probably the single biggest factor behind most tax shelter schemes. Prior to 1987, capital gains did not receive preferential treatment under the AMT, and the capital gains tax preference was the single largest source of AMT revenue. This option would restore that tax treatment, both for gains and for dividends.

Under Plan 7, AMT revenues would increase by \$71 billion over the decade (\$109 billion including interest). Another 1 million taxpayers would face the AMT in 2010, compared with Plan 6, but the total number of AMT taxpayers would still be less than one-third the projected level under current law. More than 90 percent of the additional AMT taxpayers would have incomes over \$100,000. (See Table 10a.)

The second and third panels of Table 9 show the same options under the alternative baseline assumptions. Not surprisingly, AMT reform is more costly if the tax cuts are extended, and less costly if they are repealed.

⁷ The 32.5- and 35-percent rates arise from the phaseout of the AMT exemption. In the phaseout range, the exemption is reduced by 25 cents for every additional dollar of AGI. This increases the *effective* AMT tax rate by 25 percent. So the statutory 26-percent rate becomes an effective 32.5-percent rate, and the statutory 28-percent rate is actually a 35-percent effective rate. Plan 6 would eliminate the exemption phaseout so the statutory rate would equal the effective rate.

The annual pattern of revenue changes under all of the reform plans is illustrated graphically in **Figures 6a-6c**.

Tables 10a-10d show data on the distribution of winners and losers under the different AMT reform options and baseline assumptions. **Table 10a** shows the number of AMT taxpayers under each of the reform options and each baseline. The table shows that the reform options are very effective at sparing middle-income taxpayers from the AMT—very few taxpayers with incomes under \$100,000 remain on the AMT under any of the alternatives. **Table 10b** shows the percentage of tax units that would suffer significant tax increases (more than one percent of income) under the options. **Table 10c** shows the average tax change and **Table 10d** shows the change as a percentage of after-tax income.

Table 11 examines the effect of implementing Plan 5 (indexing and eliminating AMT preferences not related to tax shelters) with the same income tax financing options considered in Table 7. The results are similar to those shown in Table 7, but the required income tax increases are smaller in every case. It is also interesting to note that raising income tax rates further reduces the number of AMT taxpayers as compared with Table 9 (Plan 5 without financing), because higher income tax rates cause more taxpayers to have income tax in excess of tentative AMT.

Table 12a shows how many people would remain on the AMT in 2010 under plan 5 with financing. Note that this table shows the numbers in thousands, rather than millions, because fewer than 400,000 taxpayers would remain on the AMT under these options. The table shows that the few remaining AMT taxpayers would virtually all have high incomes. More than half would have income greater than \$200,000.

Tables 12b-12d show the winners and losers under this revenue-neutral change in policy. Tables 12c and 12d shows that the winners under the proportional rate increase are those with incomes between \$75,000 and \$500,000—those most likely to be on AMT under current law—and middle class and very-high-income taxpayers are the losers. If the rate increase is limited to rates over 25 percent, then the middle-class losers can be eliminated and the entire burden of reform is carried by those with incomes over \$500,000.

Finally, **Table 13** shows AMT participation rates by income class under current law from 2004 to 2010.

For comparison purposes, the appendix tables show data for tables 8, 10, and 12 with the sample limited to taxpayers, rather than all filing units. All of the tables discussed above show percentage changes in terms of all tax filing units, including those that owe no income tax. In the appendix tables, only those who owe income tax are considered. The percentage of *taxpayers* on the AMT and affected by various options is higher than the percentage of *tax units*, simply because there are more tax units than taxpayers.

Table 1
Aggregate AMT Projections, 2004-2014¹

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total 2004-14
Number of AMT Taxpayers² (millions)												
Current Law	3.0	11.6	14.8	18.2	23.5	26.3	29.2	14.3	16.1	18.4	20.7	
Pre-EGTRRA Law	4.8	5.6	6.5	7.7	9.1	10.6	12.2	14.3	16.1	18.4	20.7	
Current Law Extended ³	3.0	15.6	18.4	21.2	24.0	26.7	29.5	32.3	34.8	37.4	39.8	
Percent of Taxpayers Affected by AMT⁴												
Current Law	3.5	12.9	16.2	19.3	24.6	27.2	29.9	13.9	15.5	17.5	19.4	
Pre-EGTRRA Law	5.3	5.9	6.8	7.9	9.2	10.6	12.0	13.9	15.5	17.5	19.4	
Current Law Extended	3.5	17.7	20.4	22.7	25.5	27.9	30.5	32.8	34.8	37.0	38.8	
AMT Revenue⁵ (billions of \$)												
Current Law	18.1	35.4	46.2	55.2	74.5	85.5	104.5	39.6	45.2	52.4	59.9	598.3
Pre-EGTRRA Law	16.4	18.1	20.3	22.9	26.5	29.5	34.2	39.6	45.2	52.4	59.9	348.6
Current Law Extended	18.1	43.2	53.4	61.5	76.7	87.1	106.3	122.0	138.6	158.4	178.6	1,025.6
AMT Revenue/AMT Taxpayer (\$)												
Pre-EGTRRA Law	3,382	3,243	3,133	2,974	2,910	2,779	2,804	2,777	2,803	2,845	2,892	
Current Law	6,033	3,064	3,121	3,028	3,176	3,245	3,579	2,777	2,803	2,845	2,892	
Current Law Extended	6,033	2,775	2,899	2,905	3,190	3,267	3,598	3,780	3,983	4,234	4,490	
AMT Revenue as a Percentage of Income Tax Revenue												
Current Law	0.4	4.0	4.9	5.4	6.8	7.3	8.3	2.6	2.8	3.1	3.3	4.5
Pre-EGTRRA Law	1.7	1.8	1.9	2.0	2.1	2.2	2.4	2.6	2.8	3.1	3.3	2.5
Current Law Extended	0.4	5.1	5.8	6.2	7.1	7.7	8.7	9.3	9.9	10.6	11.1	8.2
Percent of AGI on AMT Returns												
Current Law	12.4	27.1	32.6	36.8	43.8	46.0	49.6	22.0	24.0	26.7	29.2	
Pre-EGTRRA Law	10.5	11.4	12.6	14.1	16.1	17.5	19.6	22.0	24.0	26.7	29.2	
Current Law Extended	12.4	33.5	37.8	40.5	44.4	46.5	50.1	52.5	54.4	56.5	58.1	
Cost of Income Tax Repeal⁶ (billions of \$)												
Current Law	176.2	99.8	92.2	90.7	78.4	72.0	57.8	219.0	217.5	213.8	212.5	1,317.4
Pre-EGTRRA Law	212.4	217.8	220.2	223.1	224.3	222.7	221.8	219.0	217.5	213.8	212.5	2,192.7
Current Law Extended	176.2	73.9	69.5	69.9	62.8	59.2	52.5	48.6	44.9	40.8	37.5	698.4

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

(1) Calendar years. Tax units who are dependents of other tax units are excluded from the analysis. Numbers may not add due to rounding.

(2) AMT taxpayers are defined as those with either an AMT liability from form 6251 or those with lost credits.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

(4) Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(5) "Revenue" is actually calendar year tax liability. Some of that liability would be paid in a subsequent year.

(6) Includes repeal of the child tax credit and the earned income tax credit for all years as well as nonrefundable tax credits in the years in which they are not allowed for AMT purposes under current law.

Table 2
AMT Participation Rate (percent) by Individual Characteristics¹

Group	Current Law				Current Law Extended ²	Pre-EGTRRA Law	
	2004	2005	2010	2014	2014	2005	2010
All Taxpayers³	3.5	12.9	29.9	19.4	38.8	5.9	12.0
All Tax Filers	2.5	9.3	22.2	15.2	29.1	4.5	9.3
Tax Filers by Cash Income (thousands of 2003\$)⁴							
Less than 30	*	*	*	0.1	0.1	*	*
30-50	*	0.7	2.8	4.8	6.5	0.9	2.3
50-75	0.5	3.7	16.0	18.6	30.1	4.0	11.0
75-100	1.0	16.9	52.3	33.7	64.3	12.4	23.2
100-200	6.2	39.4	80.2	39.0	89.2	13.9	24.4
200-500	50.5	78.0	93.8	61.2	95.4	26.9	44.8
500-1,000	39.3	41.3	62.7	19.4	65.3	18.6	18.5
1,000 and more	27.0	29.2	35.5	17.4	36.9	17.4	17.0
Tax Filers by Number of Children⁵							
0	1.6	4.1	15.2	5.6	22.0	1.3	2.7
1	2.2	9.9	27.4	21.1	35.0	2.9	9.2
2	4.6	23.6	40.3	41.1	47.3	11.2	27.8
3 or more	7.6	32.0	47.2	55.7	56.1	29.6	46.7
Tax Filers By State Tax Level⁶							
High	2.3	11.0	23.4	18.6	30.2	5.7	11.6
Middle	1.0	7.8	22.2	15.3	29.6	3.6	8.5
Low	0.6	5.5	18.0	11.3	25.3	2.9	6.7
Tax Filers by Filing Status							
Single	0.7	1.3	2.8	1.9	4.7	0.6	1.1
Married Filing Joint	4.6	18.7	47.1	31.0	62.0	8.5	18.4
Head of Household	0.9	3.5	7.7	10.7	12.8	2.9	6.2
Married Filing Separate	5.6	18.2	45.0	26.3	59.9	10.6	17.3
Married Couple, 2+ kids, 75K<Cash Income<100k	1.1	42.6	80.2	89.7	90.7	39.6	76.0
Married Couple, 2+ Kids, 75k<AGI<100k	2.4	55.3	93.8	93.5	97.7	41.6	80.6

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

* Less than 0.05 percent.

(1) Includes returns with AMT liability on Form 6251 and those with lost credits. Tax Units who are dependents of other tax units are excluded from the analysis.

(2) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

(3) Taxpayers are defined as returns with positive income tax liability net of refundable credits.

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

(5) Number of children is defined as number of exemptions taken for children living at home.

(6) State codes are not provided on the SOI public-use file for individuals with 1999 AGI above \$200,000. Figures here include only those taxpayers for which we have state-of-residence information.

Table 3
AMT Revenue per AMT Taxpayer (\$)¹

Group of AMT taxpayers	Current Law				Current Law Extended²	Pre-EGTRRA Law	
	2004	2005	2010	2014	2014	2005	2010
All	6,034	3,064	3,579	2,892	4,491	3,243	2,804
By Cash Income (thousands of 2003\$)³							
Less than 30	4,129	2,147	1,429	1,216	1,070	1,412	1,242
30-50	4,928	921	773	891	816	1,008	949
50-75	902	873	942	1,374	1,316	1,013	1,095
75-100	2,129	982	1,560	1,834	2,356	1,213	1,595
100-200	2,442	1,699	2,542	2,230	3,799	1,945	1,961
200-500	4,800	5,308	9,177	5,219	11,468	5,558	4,895
500-1,000	15,653	14,503	15,727	21,896	16,486	21,057	22,367
1,000 and more	62,355	57,551	64,025	84,712	67,428	75,267	78,339
By Number of Children⁴							
0	7,671	4,569	3,328	4,238	4,033	7,587	5,470
1	5,512	2,577	2,987	1,898	3,938	3,594	2,193
2	4,883	2,311	4,048	2,454	5,439	1,895	1,931
3 or more	4,392	2,755	4,876	3,402	6,229	1,968	2,550
By State Tax Level⁵							
High	2,313	2,000	3,029	2,574	4,224	1,775	2,080
Middle	2,625	1,624	2,397	2,026	3,515	1,637	1,771
Low	3,212	1,539	2,199	2,012	3,173	1,775	1,734
By Filing Status							
Single	7,815	5,186	4,680	5,115	4,350	8,011	6,069
Married Filing Joint	6,158	3,069	3,729	3,042	4,882	3,239	2,865
Head of Household	3,141	1,781	1,670	1,384	1,795	1,461	1,316
Married Filing Separate	3,539	1,938	2,033	2,190	2,540	2,179	2,149
Married Couple, 2+ Kids, 75k<Cash Income<100k	2,085	933	2,116	2,426	3,196	1,105	1,651
Married Couple, 2+ Kids, 75k<AGI<100k	1,660	1,070	2,381	2,331	3,669	1,305	1,692

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

(1) Includes AMT liability on Form 6251 and lost credits. Tax Units who are dependents of other tax units are excluded from the analysis.

(2) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

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

(4) Number of children is defined as number of exemptions taken for children living at home.

(5) State codes are not provided on the SOI public-use file for individuals with 1999 AGI above \$200,000. Figures here include only those taxpayers for which we have state-of-residence information.

Table 4
Distribution of AMT and Regular Income Tax by Cash Income, Current Law
2004 Calendar Year

Class (thousands of 2003\$) ¹	Tax Units (thousands)		Percent of Units		Percent of AGI		Percent of Tax Liability	
	AMT Taxpayers ²	All Units	AMT Taxpayers	All Units	AMT Taxpayers	All Units	AMT ³	All Income Tax ⁴
Less than 30	2	67,274	0.1	46.9	*	10.7	*	-3.0
30-50	12	26,824	0.4	18.7	*	12.6	*	6.2
50-75	95	20,054	3.2	14.0	0.6	16.1	0.2	11.3
75-100	114	11,395	3.8	7.9	1.1	13.1	0.5	10.7
100-200	818	13,281	27.2	9.3	13.7	23.0	9.8	25.6
200-500	1,685	3,339	56.1	2.3	54.4	12.0	58.1	20.4
500-1,000	207	527	6.9	0.4	13.1	4.2	15.1	8.8
1,000 and more	70	257	2.3	0.2	17.0	9.1	16.1	19.9
All	3,003	143,509	100.0	100.0	100.0	100.0	100.0	100.0

2010 Calendar Year

Class (thousands of 2003\$) ¹	Tax Units (thousands)		Percent of Units		Percent of AGI		Percent of Tax Liability	
	AMT Taxpayers ²	All Units	AMT Taxpayers	All Units	AMT Taxpayers	All Units	AMT ³	All Income Tax ⁴
Less than 30	17	70,054	0.1	45.1	*	9.2	*	-2.1
30-50	716	28,903	2.5	18.6	0.7	10.9	0.4	5.1
50-75	3,202	20,306	11.0	13.1	4.8	13.5	2.5	9.2
75-100	6,708	12,845	23.0	8.3	13.5	12.3	8.7	9.9
100-200	13,627	17,016	46.7	10.9	42.1	24.9	37.8	26.7
200-500	4,314	4,600	14.8	3.0	26.6	13.8	34.6	21.5
500-1,000	489	779	1.7	0.5	6.0	5.2	8.4	9.2
1,000 and more	133	374	0.5	0.2	6.3	10.8	7.6	20.5
All	29,206	155,433	100.0	100.0	100.0	100.0	100.0	100.0

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

* Less than 0.05 percent in absolute value.

(1) 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>

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

(3) Includes direct AMT liability and lost credits.

(4) All income tax is the sum of regular income tax net of refundable credits plus direct AMT liability.

Table 5
Income Subject to Tax and Effective Marginal Tax Rates in the Regular Income Tax and the AMT Among
AMT Taxpayers, Current Law¹
2004 Calendar Year

Cash Income Class (thousands of 2003\$) ²	Percent With More Income Subject to Tax In ³		Average Adjustments and Preferences ⁴	Percent With a Higher Marginal Tax Rate In ⁵		Average Effective Marginal Tax Rate (percent) ⁶	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
	All	69.4		30.6	43,211	29.7	67.5
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\$) ²	Percent With More Income Subject to Tax In ³		Average Adjustments and Preferences ⁴	Percent With a Higher Marginal Tax Rate In ⁵		Average Effective Marginal Tax Rate (percent) ⁶	
	Regular Tax	AMT		Regular Tax	AMT	Before AMT	After AMT
	All	87.0		13.0	24,901	7.6	92.2
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.

Table 6
Effect of the AMT on EGTRRA and
JGTRRA Income Tax Cuts, 2010¹

Cash Income Class (thousands of 2003 dollars) ¹	Percent of Tax Filers With No Cut Due to AMT	Percent of Cut Taken Back By AMT
All	2.6	29.4
Less than 30	*	*
30-50	0.3	0.2
50-75	1.8	3.1
75-100	3.3	22.7
100-200	10.9	47.2
200-500	27.2	70.2
500-1,000	10.0	22.8
More than 1,000	8.1	9.2

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

* Less than 0.05 percent.

(1) Calendar year.

(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>

Table 7
Summary of Effects of Revenue-Neutral AMT Repeal and Income Tax Reform, 2005-2014¹

Income Tax Reform	Number of Zero-Tax Returns, 2010 (thousands)		Marginal Income Tax Rates that Preserve Revenue Neutrality																	
	Cash Income > \$200K	Cash Income > \$1,000K	2005						2010					2014						
			10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	-	15.0	28.0	31.0	36.0	39.6
Current Law Baseline			10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	-	15.0	28.0	31.0	36.0	39.6
Proportional Rate Increase	67.6	7.0	10.4	15.6	26.0	29.1	34.3	36.4	10.9	16.3	27.2	30.5	35.9	38.1	-	15.5	29.0	32.1	37.2	40.9
Proportional Rate Increase for Tax Rates Above 25%	68.3	6.5	10.0	15.0	25.0	31.4	37.0	39.2	10.0	15.0	25.0	34.7	40.9	43.3	-	15.0	28.0	33.8	39.2	43.1
Distributionally Neutral Rate Increase	65.8	7.4	10.1	15.3	26.1	32.2	37.5	34.8	10.1	16.1	28.1	33.7	42.3	33.6	-	15.7	28.7	33.5	37.0	39.8
Extend Tax Cuts Legislated to Expire²			10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0
Proportional Rate Increase	88.2	9.1	10.5	15.8	26.3	29.4	34.7	36.8	10.9	16.4	27.3	30.5	36.0	38.2	11.2	16.8	28.1	31.4	37.0	39.3
Proportional Rate Increase for Tax Rates Above 25%	87.5	8.6	10.0	15.0	25.0	32.1	39.7	42.1	10.0	15.0	25.0	35.0	41.3	43.8	10.0	15.0	25.0	37.0	43.6	46.2
Distributionally Neutral Rate Increase	83.3	9.6	10.1	15.4	27.1	31.4	38.6	34.5	10.1	16.2	28.2	33.9	42.8	33.5	10.2	17.2	28.9	35.4	41.4	33.4
Repeal Tax Cuts from 2001-2003			-	15.0	28.0	31.0	36.0	39.6	-	15.0	28.0	31.0	36.0	39.6	-	15.0	28.0	31.0	36.0	39.6
Proportional Rate Increase	64.2	6.3	-	15.3	28.5	31.6	36.6	40.3	-	15.4	28.7	31.8	36.9	40.6	-	15.5	29.0	32.1	37.2	40.9
Proportional Rate Increase for Tax Rates Above 25%	64.4	6.2	-	15.0	28.0	32.6	37.8	41.6	-	15.0	28.0	33.0	38.4	42.2	-	15.0	28.0	33.8	39.2	43.1
Distributionally Neutral Rate Increase	64.3	6.4	-	15.2	28.3	32.2	37.6	40.0	-	15.4	28.5	32.6	37.6	39.8	-	15.7	28.7	33.5	37.0	39.8

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

(1) Calendar years.

(2) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 8a
Percentage of Tax Units with Tax Increase Greater Than One Percent of Cash Income Under
Revenue-Neutral AMT Repeal and Income Tax Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	7.9	0.0	0.0	0.0	0.0	13.7	24.5	18.1	14.0	5.4	47.2	62.4
Proportional Rate Increase for Tax Rates Above 25%	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.3	17.3	64.8	70.7
Distributionally Neutral Rate Increase	8.3	0.0	0.0	0.0	0.0	6.1	24.3	17.8	18.4	28.0	58.8	9.3
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	8.2	0.0	0.0	0.0	0.1	16.3	24.9	18.6	14.0	5.3	46.5	61.5
Proportional Rate Increase for Tax Rates Above 25%	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.4	5.3	17.8	64.2	69.8
Distributionally Neutral Rate Increase	8.6	0.0	0.0	0.0	0.0	8.4	24.8	18.0	18.4	28.4	58.7	10.5
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportional Rate Increase for Tax Rates Above 25%	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	20.6	63.1	64.3
Distributionally Neutral Rate Increase	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	6.3	0.0	0.0

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

(1) Calendar year.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 8b
Average Tax Change (\$) Among Tax Units Under
Revenue-Neutral AMT Repeal and Income Tax Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Maintain Current Law												
Proportional Rate Increase	27	0	20	90	180	265	387	33	-388	-4,052	2,351	28,602
Proportional Rate Increase for Tax Rates Above 25%	40	0	0	-1	-8	-38	-152	-791	-1,623	-1,656	17,850	110,864
Distributionally Neutral Rate Increase	37	0	5	43	104	182	307	-40	-60	334	4,718	-24,555
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	25	0	20	91	182	267	386	19	-403	-4,086	2,320	29,139
Proportional Rate Increase for Tax Rates Above 25%	48	0	0	-1	-8	-39	-160	-817	-1,658	-1,566	18,503	114,697
Distributionally Neutral Rate Increase	40	0	4	42	106	185	310	-44	-59	421	4,967	-24,794
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	12	0	8	32	54	63	53	-86	68	-688	-88	3,647
Proportional Rate Increase for Tax Rates Above 25%	14	0	0	-1	-8	-35	-119	-362	-343	107	4,993	30,408
Distributionally Neutral Rate Increase	3	0	9	34	60	68	52	-98	54	-83	-273	-6,506

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

(1) Calendar year.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 8c
Percentage Change in After-Tax Income Among Tax Units Under
Revenue-Neutral AMT Repeal and Income Tax Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Maintain Current Law												
Proportional Rate Increase	0.0	0.0	-0.1	-0.4	-0.5	-0.6	-0.7	0.0	0.3	1.7	-0.4	-1.3
Proportional Rate Increase for Tax Rates Above 25%	-0.1	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.4	0.7	-3.1	-4.9
Distributionally Neutral Rate Increase	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.5	0.1	0.1	-0.1	-0.8	1.1
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	0.0	0.0	-0.1	-0.4	-0.5	-0.6	-0.7	0.0	0.3	1.7	-0.4	-1.3
Proportional Rate Increase for Tax Rates Above 25%	-0.1	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.4	0.6	-3.2	-5.0
Distributionally Neutral Rate Increase	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.5	0.1	0.0	-0.2	-0.9	1.1
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.1	0.1	-0.1	0.3	0.0	-0.2
Proportional Rate Increase for Tax Rates Above 25%	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.5	0.3	0.0	-0.9	-1.4
Distributionally Neutral Rate Increase	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.1	0.1	0.0	0.0	0.1	0.3

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

(1) Calendar year. 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.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 9
Summary of Effects of Various AMT Reform Proposals, 2005-2014¹

AMT Status	Number of AMT Taxpayers (millions)			Effect on Revenue (\$ billions, fiscal years)				Effect on Budget (\$ billions)	Number of Zero-Tax Returns, 2010 (thousands)	
	2005	2010	2014	2005	2010	2014	2005-2014	FY 2005-2014	Cash Inc > \$200K	Cash Inc > \$1,000K
Current Law Baseline	11.6	29.2	20.7	0	0	0	0	0	32.6	2.7
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	-14	-93	-55	-562	-710	77.3	7.6
Plan 2: Extend Expiring Provisions ²	2.8	8.5	5.1	-7	-49	-31	-291	-367	33.2	2.8
Plan 3: + Index ³	1.9	3.7	0.9	-8	-65	-40	-372	-467	33.8	2.8
Plan 4: + Remove Middle Class Preferences ⁴	1.4	3.0	0.7	-8	-68	-40	-387	-488	33.9	2.8
Plan 5: + Remove Upper Income Preferences ⁵	0.3	0.5	0.2	-12	-84	-48	-490	-619	42.5	4.4
Plan 6: + Reform Rate Structure ⁶	3.5	7.7	0.6	-9	-58	-44	-373	-467	42.5	4.4
Plan 7: + No Reduced Tax on Capital Income on AMT	5.2	8.7	1.7	11	-19	-4	71	109	42.5	4.4
Extend Tax Cuts Legislated to Expire⁷	15.6	29.5	39.8	0	0	0	0	0	40.7	4.3
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	-17	-95	-167	-919	-1,108	96.6	9.7
Plan 2: Extend Expiring Provisions	3.4	8.7	16.9	-9	-50	-83	-473	-571	42.1	4.3
Plan 3: + Index	2.3	3.8	4.6	-11	-66	-127	-649	-776	43.7	4.4
Plan 4: + Remove Middle Class Preferences	1.7	3.1	3.7	-11	-69	-131	-677	-810	44.6	4.4
Plan 5: + Remove Upper Income Preferences	0.3	0.5	0.6	-15	-86	-155	-834	-1,002	56.7	6.2
Plan 6: + Reform Rate Structure	4.4	7.6	9.9	-11	-61	-115	-601	-721	56.7	6.2
Plan 7: + No Reduced Tax on Capital Income on AMT	6.2	9.3	11.8	9	1	-32	29	65	53.7	6.1
Repeal Tax Cuts from 2001-2003	5.6	12.2	20.7	0	0	0	0	0	34.9	2.8
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	-7	-31	-55	-311	-378	65.0	6.4
Plan 2: Extend Expiring Provisions	1.1	2.4	5.1	-3	-15	-31	-155	-185	35.9	2.9
Plan 3: + Index	0.8	0.8	0.9	-3	-19	-40	-190	-227	36.3	2.9
Plan 4: + Remove Middle Class Preferences	0.6	0.7	0.7	-3	-19	-40	-196	-233	37.2	2.9
Plan 5: + Remove Upper Income Preferences	0.2	0.2	0.2	-5	-25	-48	-251	-303	45.0	4.3
Plan 6: + Reform Rate Structure	0.4	0.5	0.6	-4	-22	-44	-224	-268	45.0	4.3
Plan 7: + No Reduced Tax on Capital Income on AMT	1.1	1.4	1.7	6	7	-4	85	119	45.0	4.3

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

- (1) Calendar years, except where noted.
- (2) Maintain the 2004 AMT exemption levels and extend the treatment of non-refundable credits.
- (3) In addition to Plan 2, index the AMT exemption, tax bracket threshold, and exemption phaseout threshold, starting in 2005.
- (4) In addition to Plan 3, allow dependent exemptions against the AMT.
- (5) In addition to Plan 4, allow miscellaneous deductions and the deduction for state and local taxes against the AMT.
- (6) In addition to Plan 5, repeal the phaseout of the AMT exemption. Replace current AMT rates with a flat 35-percent rate.
- (7) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 10a
Number of AMT Taxpayers (in millions) Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²									
	All	0-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline	29.2	0.0	0.2	0.5	3.2	6.7	13.6	4.3	0.5	0.1
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	8.5	0.0	0.0	0.0	0.2	0.5	3.3	3.8	0.5	0.1
Plan 3: + Index	3.7	0.0	0.0	0.0	0.1	0.1	0.7	2.4	0.4	0.1
Plan 4: + Remove Middle Class Preferences	3.0	0.0	0.0	0.0	0.0	0.1	0.4	2.0	0.4	0.1
Plan 5: + Remove Upper Income Preferences	0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.1
Plan 6: + Reform Rate Structure	7.7	0.0	0.0	0.0	0.1	0.1	2.8	3.8	0.7	0.3
Plan 7: + No Reduced Tax on Capital Income on AMT	8.7	0.0	0.0	0.0	0.1	0.2	3.3	4.0	0.7	0.3
Extend Tax Cuts Legislated to Expire³	29.5	0.0	0.2	0.5	3.4	6.8	13.7	4.3	0.5	0.1
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	8.7	0.0	0.0	0.0	0.2	0.5	3.5	3.9	0.5	0.1
Plan 3: + Index	3.8	0.0	0.0	0.0	0.1	0.1	0.7	2.4	0.4	0.1
Plan 4: + Remove Middle Class Preferences	3.1	0.0	0.0	0.0	0.0	0.1	0.4	2.0	0.4	0.1
Plan 5: + Remove Upper Income Preferences	0.5	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.1	0.1
Plan 6: + Reform Rate Structure	7.6	0.0	0.0	0.0	0.1	0.1	2.7	3.7	0.7	0.3
Plan 7: + No Reduced Tax on Capital Income on AMT	9.3	0.0	0.0	0.0	0.1	0.3	3.7	4.1	0.7	0.3
Repeal Tax Cuts from 2001-2003	12.2	0.0	0.2	0.4	2.2	3.0	4.1	2.1	0.1	0.1
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	2.4	0.0	0.0	0.1	0.3	0.4	0.7	0.9	0.1	0.1
Plan 3: + Index	0.8	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.1	0.1
Plan 4: + Remove Middle Class Preferences	0.6	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.1	0.1
Plan 5: + Remove Upper Income Preferences	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Plan 6: + Reform Rate Structure	0.5	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.0
Plan 7: + No Reduced Tax on Capital Income on AMT	1.4	0.0	0.0	0.0	0.0	0.0	0.5	0.7	0.1	0.1

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options. AMT taxpayers include those with direct AMT liability on 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. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 10b
Percent of Tax Units with Tax Increase Greater Than One Percent of Cash Income Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²									
	All	0-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline										
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.3	0.0	0.0	0.0	0.0	0.1	1.2	4.1	14.0	5.9
Plan 7: + No Reduced Tax on Capital Income on AMT	0.9	0.0	0.0	0.0	0.0	0.2	2.9	10.4	33.7	35.5
Extend Tax Cuts Legislated to Expire³										
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.3	0.0	0.0	0.0	0.0	0.1	1.1	3.7	13.7	5.7
Plan 7: + No Reduced Tax on Capital Income on AMT	1.4	0.0	0.0	0.0	0.1	0.8	4.8	14.7	42.1	42.8
Repeal Tax Cuts from 2001-2003										
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Preferences	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	1.0	2.0
Plan 7: + No Reduced Tax on Capital Income on AMT	0.4	0.0	0.0	0.0	0.0	0.1	0.9	5.3	12.1	20.5

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 10c
Average Tax Change (\$) for All Tax Units Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²									
	All	0-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline										
Plan 1: Repeal the AMT in 2005	-673	-1	-8	-38	-152	-817	-2,037	-8,606	-9,811	-22,618
Plan 2: Extend Expiring Provisions	-342	-1	-7	-29	-139	-762	-1,636	-2,576	-389	-198
Plan 3: + Index	-466	-1	-8	-32	-148	-795	-1,920	-5,408	-1,106	-567
Plan 4: + Remove Middle Class Preferences	-487	-1	-8	-32	-149	-798	-1,949	-5,904	-1,611	-765
Plan 5: + Remove Upper Income Preferences	-610	-1	-8	-33	-151	-802	-2,001	-8,000	-6,581	-13,196
Plan 6: + Reform Rate Structure	-413	-1	-8	-32	-149	-791	-1,717	-4,502	-491	-539
Plan 7: + No Reduced Tax on Capital Income on AMT	-119	-1	-8	-32	-149	-787	-1,602	-2,879	6,787	81,143
Extend Tax Cuts Legislated to Expire³										
Plan 1: Repeal the AMT in 2005	-684	-1	-8	-39	-160	-844	-2,079	-8,693	-9,964	-22,477
Plan 2: Extend Expiring Provisions	-349	-1	-8	-31	-147	-788	-1,669	-2,572	-385	-195
Plan 3: + Index	-474	-1	-8	-33	-156	-823	-1,963	-5,427	-1,100	-564
Plan 4: + Remove Middle Class Preferences	-496	-1	-8	-34	-157	-826	-1,992	-5,931	-1,611	-765
Plan 5: + Remove Upper Income Preferences	-621	-1	-8	-34	-160	-830	-2,044	-8,082	-6,691	-13,133
Plan 6: + Reform Rate Structure	-428	-1	-8	-33	-157	-819	-1,766	-4,651	-766	-791
Plan 7: + No Reduced Tax on Capital Income on AMT	20	-1	-8	-33	-154	-794	-1,489	-1,819	10,603	113,577
Repeal Tax Cuts from 2001-2003										
Plan 1: Repeal the AMT in 2005	-219	-1	-8	-35	-119	-370	-476	-2,188	-4,110	-13,164
Plan 2: Extend Expiring Provisions	-110	-1	-7	-25	-105	-322	-352	-914	-144	-78
Plan 3: + Index	-134	-1	-8	-28	-115	-350	-411	-1,356	-326	-177
Plan 4: + Remove Middle Class Preferences	-138	-1	-8	-29	-117	-354	-420	-1,405	-398	-257
Plan 5: + Remove Upper Income Preferences	-177	-1	-8	-30	-119	-356	-444	-1,798	-2,025	-6,940
Plan 6: + Reform Rate Structure	-157	-1	-8	-29	-118	-352	-423	-1,619	-1,477	-3,377
Plan 7: + No Reduced Tax on Capital Income on AMT	59	-1	-8	-28	-118	-349	-373	-704	3,413	62,804

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 10d
Percentage Change in After-Tax Income Among Tax Units Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²									
	All	0-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline										
Plan 1: Repeal the AMT in 2005	1.2	0.0	0.0	0.1	0.3	1.0	1.7	3.6	1.7	1.0
Plan 2: Extend Expiring Provisions	0.6	0.0	0.0	0.1	0.2	1.0	1.4	1.1	0.1	0.0
Plan 3: + Index	0.8	0.0	0.0	0.1	0.3	1.0	1.6	2.2	0.2	0.0
Plan 4: + Remove Middle Class Preferences	0.9	0.0	0.0	0.1	0.3	1.0	1.7	2.5	0.3	0.0
Plan 5: + Remove Upper Income Preferences	1.1	0.0	0.0	0.1	0.3	1.0	1.7	3.3	1.2	0.6
Plan 6: + Reform Rate Structure	0.7	0.0	0.0	0.1	0.3	1.0	1.5	1.9	0.1	0.0
Plan 7: + No Reduced Tax on Capital Income on AMT	0.2	0.0	0.0	0.1	0.3	1.0	1.4	1.2	-1.2	-3.6
Extend Tax Cuts Legislated to Expire³										
Plan 1: Repeal the AMT in 2005	1.2	0.0	0.0	0.1	0.3	1.1	1.8	3.6	1.7	1.0
Plan 2: Extend Expiring Provisions	0.6	0.0	0.0	0.1	0.3	1.0	1.4	1.1	0.1	0.0
Plan 3: + Index	0.8	0.0	0.0	0.1	0.3	1.1	1.7	2.2	0.2	0.0
Plan 4: + Remove Middle Class Preferences	0.9	0.0	0.0	0.1	0.3	1.1	1.7	2.5	0.3	0.0
Plan 5: + Remove Upper Income Preferences	1.1	0.0	0.0	0.1	0.3	1.1	1.7	3.3	1.2	0.6
Plan 6: + Reform Rate Structure	0.8	0.0	0.0	0.1	0.3	1.0	1.5	1.9	0.1	0.0
Plan 7: + No Reduced Tax on Capital Income on AMT	0.0	0.0	0.0	0.1	0.3	1.0	1.3	0.8	-1.9	-5.0
Repeal Tax Cuts from 2001-2003										
Plan 1: Repeal the AMT in 2005	0.4	0.0	0.0	0.1	0.2	0.5	0.4	0.9	0.8	0.6
Plan 2: Extend Expiring Provisions	0.2	0.0	0.0	0.1	0.2	0.4	0.3	0.4	0.0	0.0
Plan 3: + Index	0.2	0.0	0.0	0.1	0.2	0.5	0.4	0.6	0.1	0.0
Plan 4: + Remove Middle Class Preferences	0.3	0.0	0.0	0.1	0.2	0.5	0.4	0.6	0.1	0.0
Plan 5: + Remove Upper Income Preferences	0.3	0.0	0.0	0.1	0.2	0.5	0.4	0.8	0.4	0.3
Plan 6: + Reform Rate Structure	0.3	0.0	0.0	0.1	0.2	0.5	0.4	0.7	0.3	0.2
Plan 7: + No Reduced Tax on Capital Income on AMT	-0.1	0.0	0.0	0.1	0.2	0.5	0.3	0.3	-0.6	-2.9

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options. 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.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 11

Summary of Effects of AMT Reform Plan 5 under Alternative Income Tax Financing Options and Baselines, 2005-2014¹

Income Tax Financing Option and Baseline	Number of Zero-Tax Returns, 2010 (thousands)		Number of AMT Taxpayers (millions) ²			Marginal Income Tax Rates Which Preserve Revenue Neutrality																	
	Cash Income > \$200K	Cash Income > \$1,000K	2005	2010	2014	2005					2010					2014							
						10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	31.0	36.0
Current Law Baseline	32.6	2.7	11.6	29.2	20.7	10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	-	15.0	28.0	31.0	36.0	39.6
Proportional Rate Increase	42.5	4.4	0.3	0.4	0.2	10.3	15.5	25.9	29.0	34.1	36.2	10.8	16.2	27.0	30.3	35.7	37.8	-	15.5	28.8	31.9	37.1	40.8
Proportional Rate Increase for Tax Rates Above 25%	42.5	4.4	0.3	0.4	0.2	10.0	15.0	25.0	30.8	36.3	38.5	10.0	15.0	25.0	34.3	40.4	42.8	-	15.0	28.0	33.4	38.8	42.6
Distributionally Neutral Rate Increase	42.5	4.4	0.3	0.4	0.2	10.1	15.2	26.2	31.4	37.3	34.2	10.1	16.1	28.0	33.4	41.7	33.0	-	15.7	28.6	33.5	36.4	39.4
Extend Tax Cuts Legislated to Expire³	40.7	4.3	15.6	29.5	39.8	10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	33.0	35.0	10.0	15.0	25.0	28.0	31.0	35.0
Proportional Rate Increase	56.7	6.2	0.3	0.4	0.4	10.4	15.6	26.1	29.2	34.4	36.5	10.9	16.3	27.1	30.4	35.8	38.0	11.2	16.7	27.9	31.2	34.6	39.0
Proportional Rate Increase for Tax Rates Above 25%	56.7	6.2	0.3	0.4	0.4	10.0	15.0	25.0	31.5	37.2	39.4	10.0	15.0	25.0	34.6	40.8	43.2	13.5	20.2	33.6	36.6	40.5	45.7
Distributionally Neutral Rate Increase	56.7	6.2	0.3	0.4	0.4	10.1	15.4	27.0	31.0	38.0	34.0	10.1	16.2	28.1	33.6	42.2	32.9	10.1	17.2	29.0	34.8	41.1	32.8
Repeal Tax Cuts from 2001-2003	34.9	2.8	5.6	12.2	20.7	-	15.0	28.0	31.0	36.0	39.6	-	15.0	28.0	31.0	36.0	39.6	-	15.0	28.0	31.0	36.0	39.6
Proportional Rate Increase	44.9	4.3	0.2	0.2	0.2	-	15.2	28.3	31.4	36.4	40.1	-	15.3	28.6	31.6	36.7	40.4	-	15.5	28.8	31.9	37.1	40.8
Proportional Rate Increase for Tax Rates Above 25%	45.0	4.3	0.2	0.2	0.2	-	15.0	28.0	32.2	37.4	41.2	-	15.0	28.0	32.7	38.0	41.8	-	15.0	28.0	33.4	38.8	42.6
Distributionally Neutral Rate Increase	44.9	4.3	0.2	0.2	0.2	-	15.2	28.3	31.6	37.3	39.6	-	15.4	28.4	32.4	37.1	39.5	-	15.7	28.6	33.5	36.4	39.4

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

(1) Calendar years. See Table 9 footnotes for a description of reform option 5.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 12a
Number of AMT Taxpayers (in thousands) Under
AMT Reform Plan 5 with Income-Tax Financing, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	334.5	0.4	0.3	1.4	0.1	2.0	1.4	14.5	46.5	144.4	79.3	43.5
Proportional Rate Increase for Tax Rates Above 25%	320.2	0.4	0.3	1.4	0.1	2.0	3.3	14.7	55.7	137.6	66.6	37.4
Distributionally Neutral Rate Increase	286.2	0.4	0.3	1.4	0.1	2.0	1.4	14.1	42.3	116.5	64.6	42.4
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	346.9	0.4	0.3	1.4	0.1	2.0	1.3	13.4	44.7	150.1	84.6	47.9
Proportional Rate Increase for Tax Rates Above 25%	332.6	0.4	0.3	1.4	0.1	2.0	3.2	13.7	54.1	144.0	71.7	41.1
Distributionally Neutral Rate Increase	299.6	0.4	0.3	1.4	0.1	2.0	1.3	13.4	40.6	122.2	70.7	46.5
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	190.6	0.4	0.3	1.4	0.1	1.6	1.4	13.5	34.5	80.2	38.8	17.6
Proportional Rate Increase for Tax Rates Above 25%	188.0	0.4	0.3	1.4	0.1	1.6	1.4	13.9	36.5	77.4	37.3	17.0
Distributionally Neutral Rate Increase	188.2	0.4	0.3	1.4	0.1	1.6	1.4	13.5	33.9	78.1	39.0	17.9

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

(1) Calendar year. See table 9 footnotes for a description of reform option 5. AMT taxpayers include those with direct AMT liability on 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. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>. Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 12b
Percent of Tax Units with Tax Increase Greater Than One Percent of Cash Income Under
AMT Reform Plan 5 with Income-Tax Financing, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	6.0	0.0	0.0	0.0	0.0	4.7	20.6	15.0	11.3	4.6	44.9	61.5
Proportional Rate Increase for Tax Rates Above 25%	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.0	15.6	63.8	70.3
Distributionally Neutral Rate Increase	7.9	0.0	0.0	0.0	0.0	5.2	23.7	17.5	17.6	25.4	50.2	2.9
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	6.8	0.0	0.0	0.0	0.0	9.1	22.2	16.0	12.0	4.6	44.6	60.8
Proportional Rate Increase for Tax Rates Above 25%	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.0	15.9	63.0	69.3
Distributionally Neutral Rate Increase	8.2	0.0	0.0	0.0	0.0	7.9	24.4	17.8	17.5	25.8	51.5	3.4
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportional Rate Increase for Tax Rates Above 25%	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	12.6	57.6	61.0
Distributionally Neutral Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

(1) Calendar year. See table 9 footnotes for a description of reform option 5.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 12c
Average Tax Change (\$) for All Tax Units Under
AMT Reform Plan 5 with Income-Tax Financing, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	24	0	18	83	165	246	344	-20	-486	-3,928	4,038	32,514
Proportional Rate Increase for Tax Rates Above 25%	45	0	0	-1	-8	-33	-151	-777	-1,613	-1,606	18,584	109,652
Distributionally Neutral Rate Increase	35	0	5	43	104	185	301	-37	-82	273	5,237	-24,827
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	30	0	19	85	169	252	350	-24	-481	-3,907	4,177	33,607
Proportional Rate Increase for Tax Rates Above 25%	48	0	0	-1	-8	-34	-159	-804	-1,651	-1,565	19,072	112,487
Distributionally Neutral Rate Increase	39	0	4	42	106	189	305	-41	-81	368	5,548	-24,903
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	10	0	7	26	43	50	22	-124	-1	-588	1,190	6,569
Proportional Rate Increase for Tax Rates Above 25%	15	0	0	-1	-8	-30	-119	-349	-334	94	5,439	28,865
Distributionally Neutral Rate Increase	3	0	9	35	60	71	46	-101	26	-125	376	-5,683

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

(1) Calendar year. See table 9 footnotes for a description of reform option 5.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 12d
Percentage Change in After-Tax Income Among Tax Units Under
AMT Reform Plan 5 with Income-Tax Financing, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	0.0	0.0	-0.1	-0.3	-0.5	-0.6	-0.6	0.0	0.4	1.6	-0.7	-1.4
Proportional Rate Increase for Tax Rates Above 25%	-0.1	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.4	0.7	-3.3	-4.9
Distributionally Neutral Rate Increase	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.5	0.0	0.1	-0.1	-0.9	1.1
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	-0.1	0.0	-0.1	-0.3	-0.5	-0.6	-0.6	0.0	0.4	1.6	-0.7	-1.5
Proportional Rate Increase for Tax Rates Above 25%	-0.1	0.0	0.0	0.0	0.0	0.1	0.3	1.0	1.4	0.6	-3.3	-4.9
Distributionally Neutral Rate Increase	-0.1	0.0	0.0	-0.2	-0.3	-0.4	-0.5	0.1	0.1	-0.2	-1.0	1.1
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	-0.1	-0.1	-0.1	0.0	0.2	0.0	0.2	-0.2	-0.3
Proportional Rate Increase for Tax Rates Above 25%	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.5	0.3	0.0	-1.0	-1.4
Distributionally Neutral Rate Increase	0.0	0.0	-0.1	-0.1	-0.2	-0.2	-0.1	0.1	0.0	0.1	-0.1	0.3

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

(1) Calendar year. See table 9 footnotes for a description of reform option 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.

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

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Table 13
AMT Participation Rates by Cash Income Under Current Law, 2004-2010¹

Cash Income Class (thousands of 2003 dollars) ²	Calendar Year						
	2004	2005	2006	2007	2008	2009	2010
ALL	2.5	9.3	11.8	14.3	18.2	20.2	22.2
Less than 30	*	*	*	*	*	*	*
30-50	*	0.7	0.8	1.1	1.8	2.3	2.8
50-75	0.5	3.7	4.8	6.9	10.0	13.5	16.0
75-100	1.0	16.9	23.0	29.6	42.2	48.4	52.3
100-200	6.2	39.4	48.9	59.6	71.1	76.3	80.2
200-500	50.5	78.0	84.3	86.9	91.2	92.1	93.8
500-1,000	39.3	41.3	49.4	50.4	58.5	55.7	62.7
More than 1,000	27.0	29.2	33.2	31.8	35.7	31.9	35.5

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

* Less than 0.05 percent.

(1) Calendar years. AMT taxpayers include those with direct AMT liability on Form 6251 and those with lost credits. AMT taxpayers are shown as a percentage of tax filers.

(2) Tax filers 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>. Tax filers that are dependents of other tax filers are excluded from the analysis.

Appendix Table 8a
Percentage of Taxpayers with Tax Increase Greater Than One Percent of Cash Income Under
Revenue-Neutral AMT Repeal and Income Tax Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	12.5	0.0	0.0	0.0	0.0	16.6	25.8	18.3	14.2	5.4	47.5	62.9
Proportional Rate Increase for Tax Rates Above 25%	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.4	17.4	65.3	71.3
Distributionally Neutral Rate Increase	13.2	0.0	0.0	0.0	0.0	7.4	25.6	18.0	18.6	28.2	59.2	9.4
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	13.1	0.0	0.0	0.0	0.1	20.0	26.5	18.9	14.2	5.3	46.9	62.3
Proportional Rate Increase for Tax Rates Above 25%	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.4	5.4	18.0	64.7	70.7
Distributionally Neutral Rate Increase	13.7	0.0	0.0	0.0	0.0	10.3	26.4	18.3	18.6	28.6	59.2	10.7
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportional Rate Increase for Tax Rates Above 25%	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	20.7	63.5	64.8
Distributionally Neutral Rate Increase	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	6.3	0.0	0.0

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

(1) Calendar year. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Appendix Table 8b
Average Tax Change (\$) Among Taxpayers Under
Revenue-Neutral AMT Repeal and Income Tax Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Maintain Current Law												
Proportional Rate Increase	43	1	60	168	253	321	407	34	-392	-4,078	2,368	28,832
Proportional Rate Increase for Tax Rates Above 25%	63	-9	0	-1	-11	-46	-160	-801	-1,640	-1,667	17,980	111,757
Distributionally Neutral Rate Increase	58	-8	14	80	147	221	324	-40	-60	336	4,753	-24,753
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	40	2	60	169	256	324	407	19	-407	-4,112	2,337	29,373
Proportional Rate Increase for Tax Rates Above 25%	76	-9	0	-1	-12	-48	-168	-827	-1,674	-1,576	18,638	115,620
Distributionally Neutral Rate Increase	64	-8	12	79	150	225	327	-45	-59	423	5,003	-24,993
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	18	-5	24	59	77	77	56	-87	68	-692	-89	3,676
Proportional Rate Increase for Tax Rates Above 25%	22	-9	0	-2	-11	-42	-125	-367	-347	108	5,030	30,653
Distributionally Neutral Rate Increase	5	-4	27	64	84	82	55	-99	54	-84	-275	-6,558

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

(1) Calendar year. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Appendix Table 10b
Percent of Taxpayers with Tax Increase Greater Than One Percent of Cash Income Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.2	4.1	14.1	5.9
Plan 7: + No Reduced Tax on Capital Income on AMT	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.2	2.9	10.5	33.9	35.8
Extend Tax Cuts Legislated to Expire³												
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.1	3.8	13.8	5.8
Plan 7: + No Reduced Tax on Capital Income on AMT	2.2	0.0	0.0	0.0	0.0	0.0	0.1	0.8	4.8	14.8	42.4	43.3
Repeal Tax Cuts from 2001-2003												
Plan 1: Repeal the AMT in 2005	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 2: Extend Expiring Provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 3: + Index	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 4: + Remove Middle Class Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 5: + Remove Upper Income Exemptions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plan 6: + Reform Rate Structure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	1.0	2.1
Plan 7: + No Reduced Tax on Capital Income on AMT	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.9	5.4	12.1	20.6

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Appendix Table 10c
Average Tax Change (\$) for All Taxpayers Under
AMT Reform Options, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Plan 1: Repeal the AMT in 2005	-1,069	-9	0	-1	-11	-46	-160	-827	-2,058	-8,661	-9,882	-22,800
Plan 2: Extend Expiring Provisions	-544	-1	0	-1	-10	-36	-146	-772	-1,653	-2,593	-392	-199
Plan 3: + Index	-740	-2	0	-1	-11	-39	-156	-805	-1,940	-5,443	-1,114	-572
Plan 4: + Remove Middle Class Exemptions	-774	-2	0	-1	-11	-39	-157	-808	-1,968	-5,942	-1,622	-771
Plan 5: + Remove Upper Income Exemptions	-969	-2	0	-1	-11	-40	-160	-812	-2,021	-8,051	-6,629	-13,302
Plan 6: + Reform Rate Structure	-657	-1	0	-1	-11	-39	-157	-801	-1,734	-4,531	-494	-544
Plan 7: + No Reduced Tax on Capital Income on AMT	-190	0	0	-1	-11	-38	-157	-797	-1,618	-2,898	6,837	81,796
Extend Tax Cuts Legislated to Expire³												
Plan 1: Repeal the AMT in 2005	-1,096	-9	0	-1	-12	-48	-170	-858	-2,104	-8,763	-10,039	-22,753
Plan 2: Extend Expiring Provisions	-559	-1	0	-1	-11	-38	-156	-802	-1,689	-2,593	-388	-197
Plan 3: + Index	-760	-2	0	-1	-11	-41	-166	-836	-1,986	-5,471	-1,109	-571
Plan 4: + Remove Middle Class Exemptions	-795	-2	0	-1	-12	-41	-167	-839	-2,016	-5,979	-1,623	-774
Plan 5: + Remove Upper Income Exemptions	-996	-2	0	-1	-12	-42	-169	-844	-2,068	-8,148	-6,741	-13,294
Plan 6: + Reform Rate Structure	-687	-1	0	-1	-12	-41	-167	-832	-1,787	-4,688	-771	-801
Plan 7: + No Reduced Tax on Capital Income on AMT	32	0	0	-1	-12	-40	-164	-807	-1,507	-1,834	10,682	114,970
Repeal Tax Cuts from 2001-2003												
Plan 1: Repeal the AMT in 2005	-336	-8	0	-2	-11	-40	-123	-374	-480	-2,201	-4,138	-13,266
Plan 2: Extend Expiring Provisions	-168	-1	0	-1	-9	-29	-108	-325	-355	-920	-145	-79
Plan 3: + Index	-206	-2	0	-1	-10	-33	-119	-354	-415	-1,365	-328	-178
Plan 4: + Remove Middle Class Exemptions	-211	-2	0	-1	-10	-33	-120	-357	-423	-1,414	-401	-259
Plan 5: + Remove Upper Income Exemptions	-271	-2	0	-1	-10	-34	-122	-360	-448	-1,809	-2,039	-6,994
Plan 6: + Reform Rate Structure	-241	-1	0	-1	-10	-33	-122	-355	-427	-1,629	-1,487	-3,403
Plan 7: + No Reduced Tax on Capital Income on AMT	90	0	0	-1	-10	-33	-122	-353	-376	-708	3,436	63,294

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

(1) Calendar year. See Table 9 footnotes for a description of the reform options. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Appendix Table 12b
Percent of Taxpayers with Tax Increase Greater Than One Percent of Cash Income Under
AMT Reform Plan 5, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	9.6	0.0	0.0	0.0	0.0	5.7	21.7	15.2	11.4	4.6	45.2	61.9
Proportional Rate Increase for Tax Rates Above 25%	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.0	15.7	64.3	70.9
Distributionally Neutral Rate Increase	12.5	0.0	0.0	0.0	0.0	6.3	25.0	17.7	17.8	25.5	50.6	2.9
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	10.8	0.0	0.0	0.0	0.0	11.2	23.5	16.3	12.1	4.6	45.0	61.5
Proportional Rate Increase for Tax Rates Above 25%	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.2	5.1	16.1	63.5	70.1
Distributionally Neutral Rate Increase	13.2	0.0	0.0	0.0	0.0	9.7	25.9	18.1	17.7	26.0	51.9	3.4
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportional Rate Increase for Tax Rates Above 25%	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	12.6	58.0	61.5
Distributionally Neutral Rate Increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

(1) Calendar year. See table 9 footnotes for a description of reform option 5. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Appendix Table 12c
Average Tax Change (\$) for All Taxpayers Under
AMT Reform Plan 5, by Cash Income Class, 2010¹

	Cash Income Class (thousands of 2003\$) ²											
	All	< 10	10-20	20-30	30-40	40-50	50-75	75-100	100-200	200-500	500-1,000	> 1,000
Current Law Baseline												
Proportional Rate Increase	38	8	55	155	232	298	363	-20	-491	-3,954	4,067	32,776
Proportional Rate Increase for Tax Rates Above 25%	72	-2	0	-1	-11	-40	-159	-787	-1,629	-1,617	18,719	110,535
Distributionally Neutral Rate Increase	55	-1	15	81	147	225	318	-37	-83	275	5,275	-25,027
Extend Tax Cuts Legislated to Expire³												
Proportional Rate Increase	48	8	57	161	241	309	372	-24	-487	-3,939	4,209	34,019
Proportional Rate Increase for Tax Rates Above 25%	77	-2	0	-1	-12	-42	-169	-818	-1,671	-1,578	19,215	113,867
Distributionally Neutral Rate Increase	63	-1	13	80	151	232	323	-42	-82	371	5,589	-25,209
Repeal Tax Cuts from 2001-2003												
Proportional Rate Increase	16	2	19	44	56	58	23	-125	-1	-591	1,198	6,620
Proportional Rate Increase for Tax Rates Above 25%	23	-2	0	-1	-10	-34	-122	-353	-337	94	5,476	29,090
Distributionally Neutral Rate Increase	5	3	25	60	77	82	48	-102	26	-126	379	-5,727

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

(1) Calendar year. See table 9 footnotes for a description of reform option 5. Taxpayers are defined as returns with positive income tax liability net of refundable credits.

(2) Taxpayers 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>. Taxpayers that are dependents of other taxpayers are excluded from the analysis.

(3) Includes all 2010 sunset provisions in EGTRRA and all non-AMT provisions in JGTRRA.

Figure 1
AMT Taxpayers, 2005-2014

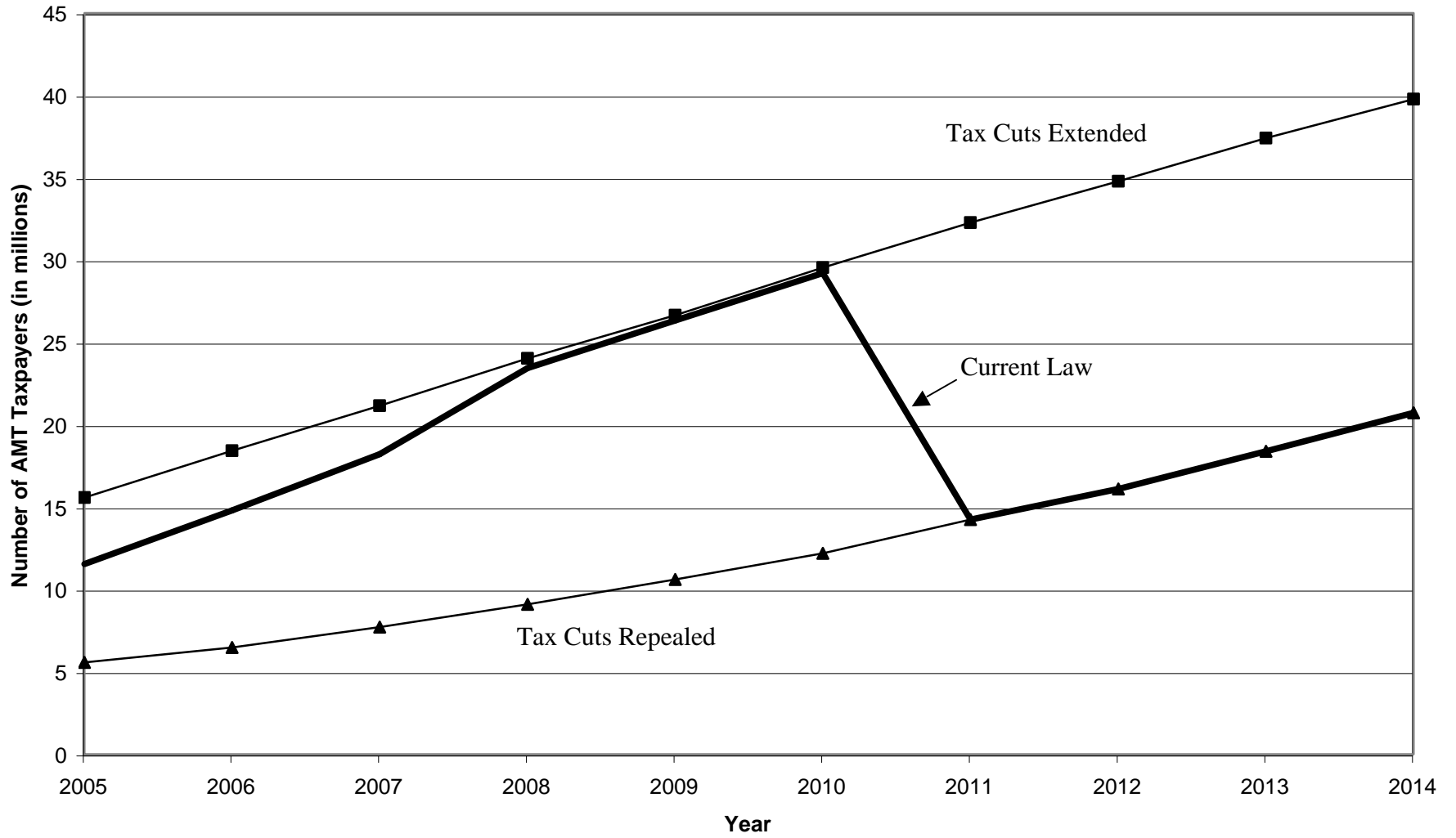


Figure 2
Revenue Loss of Income Tax and AMT Repeal under Current Law

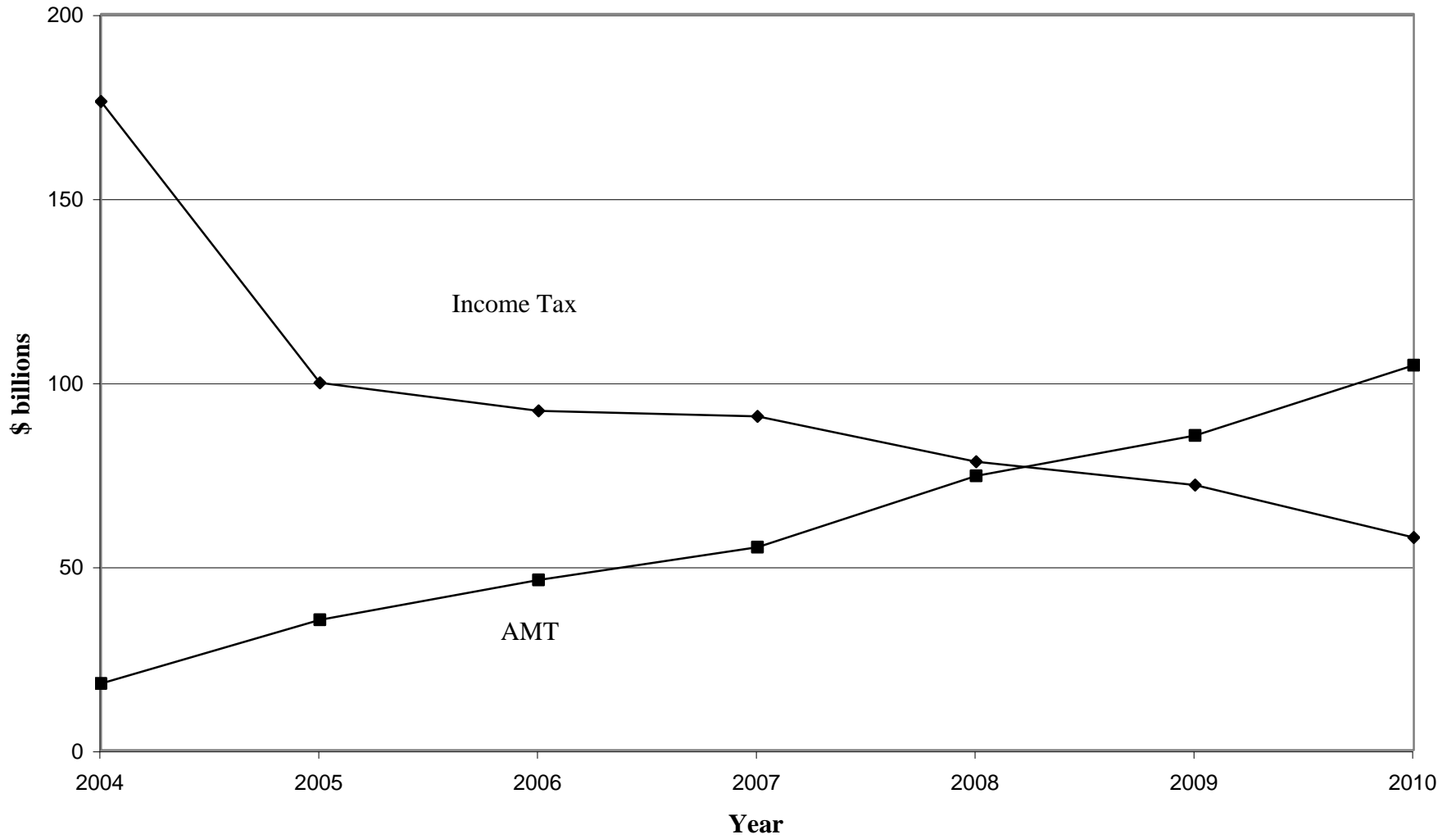


Figure 3
AMT Participation Rates, 2004-2010
(Tax Filers with Cash Income < \$100K, Current Law)

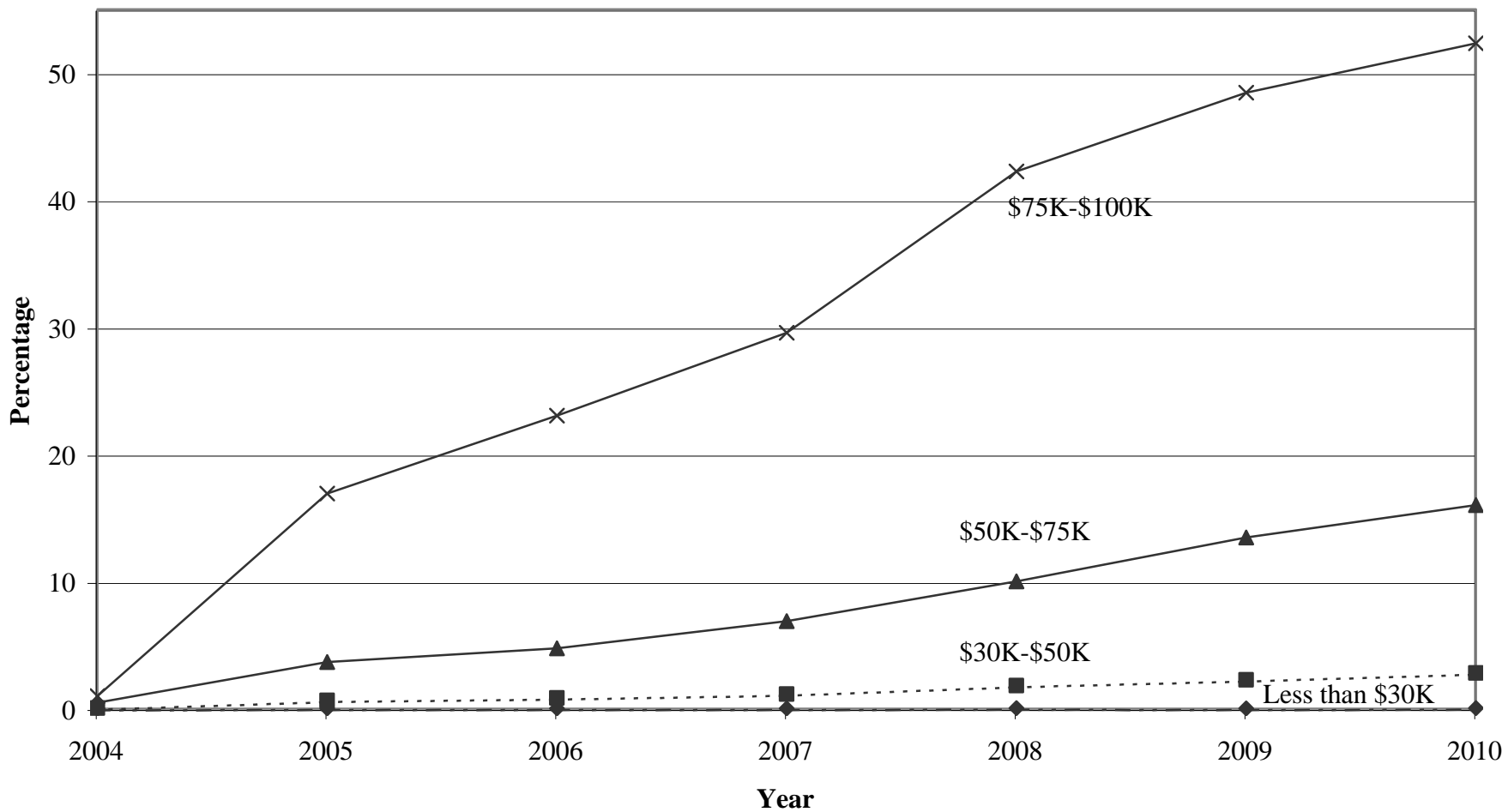


Figure 4
AMT Participation Rates, 2004-2010
(Tax Filers with Cash Income > \$100K, Current Law)

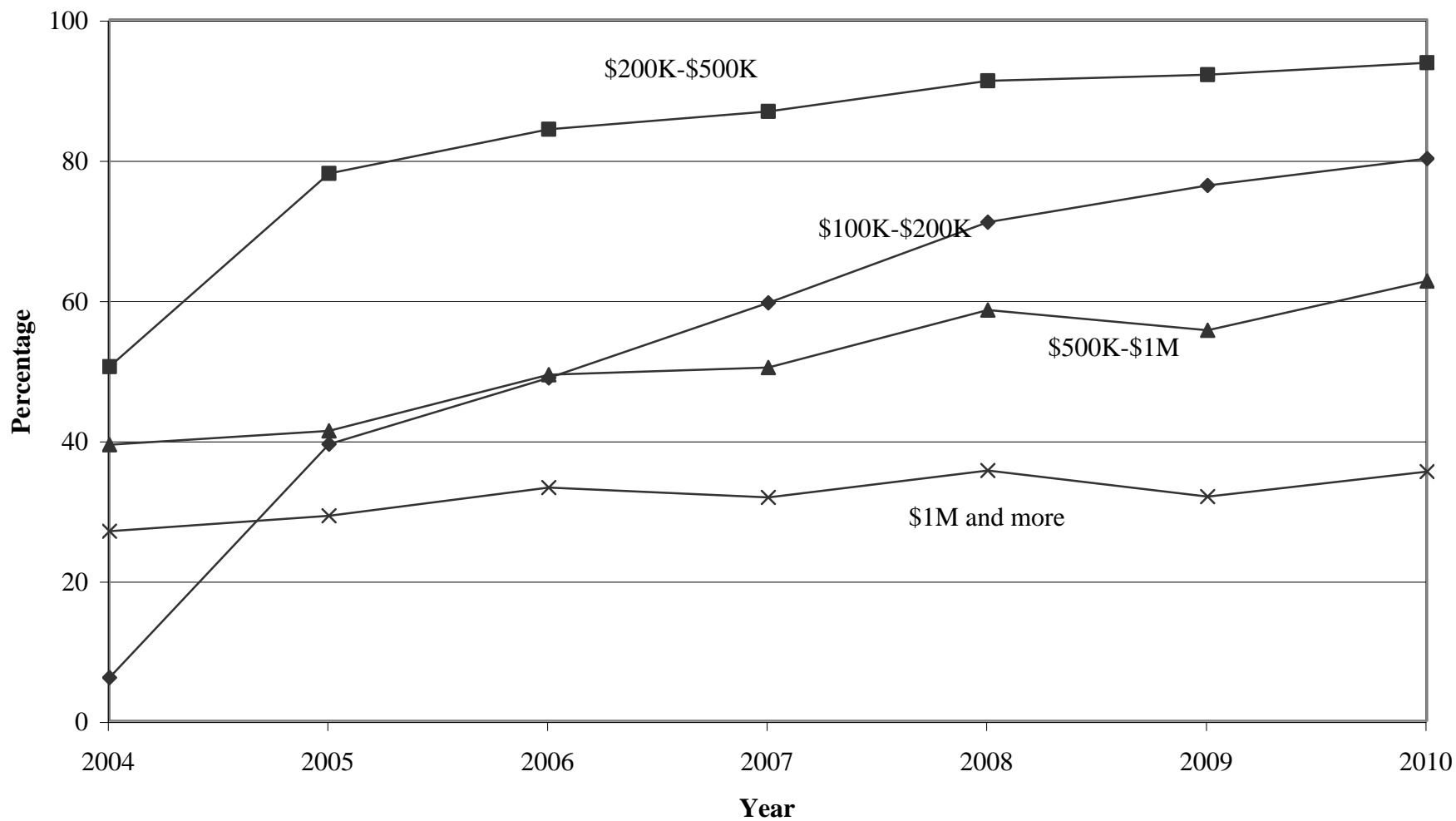


Figure 5
AMT Revenue, 2005-2014

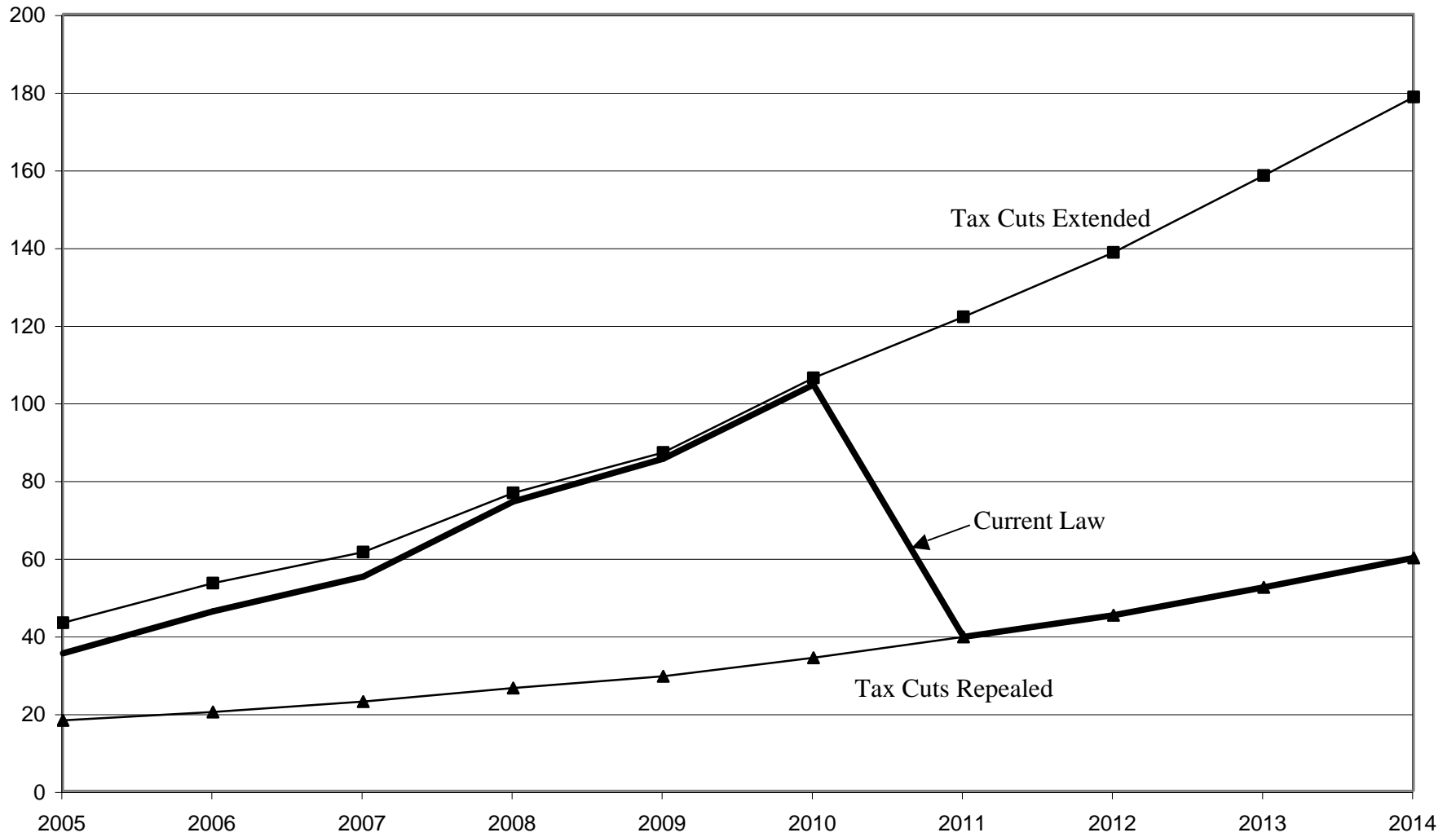
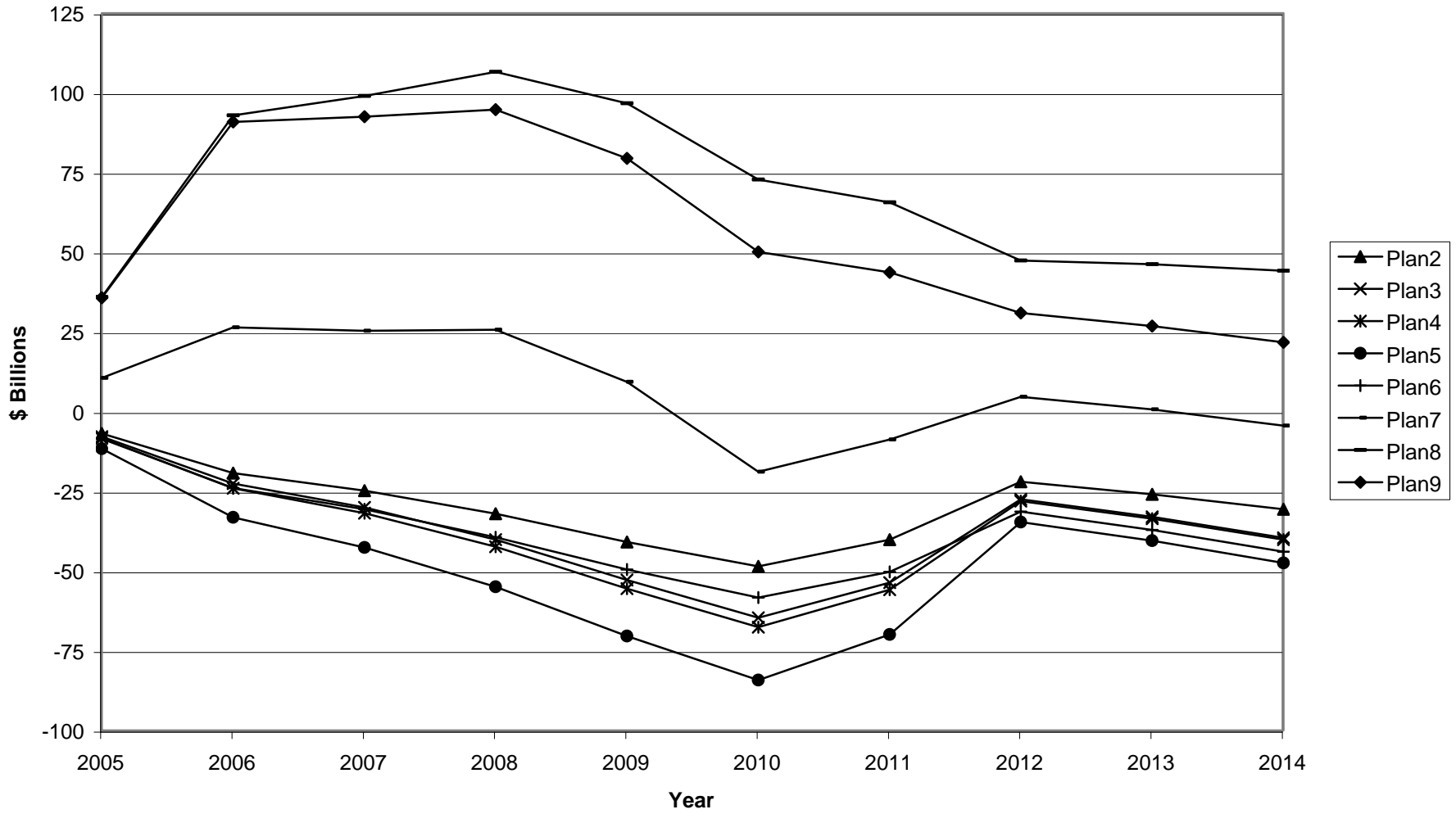
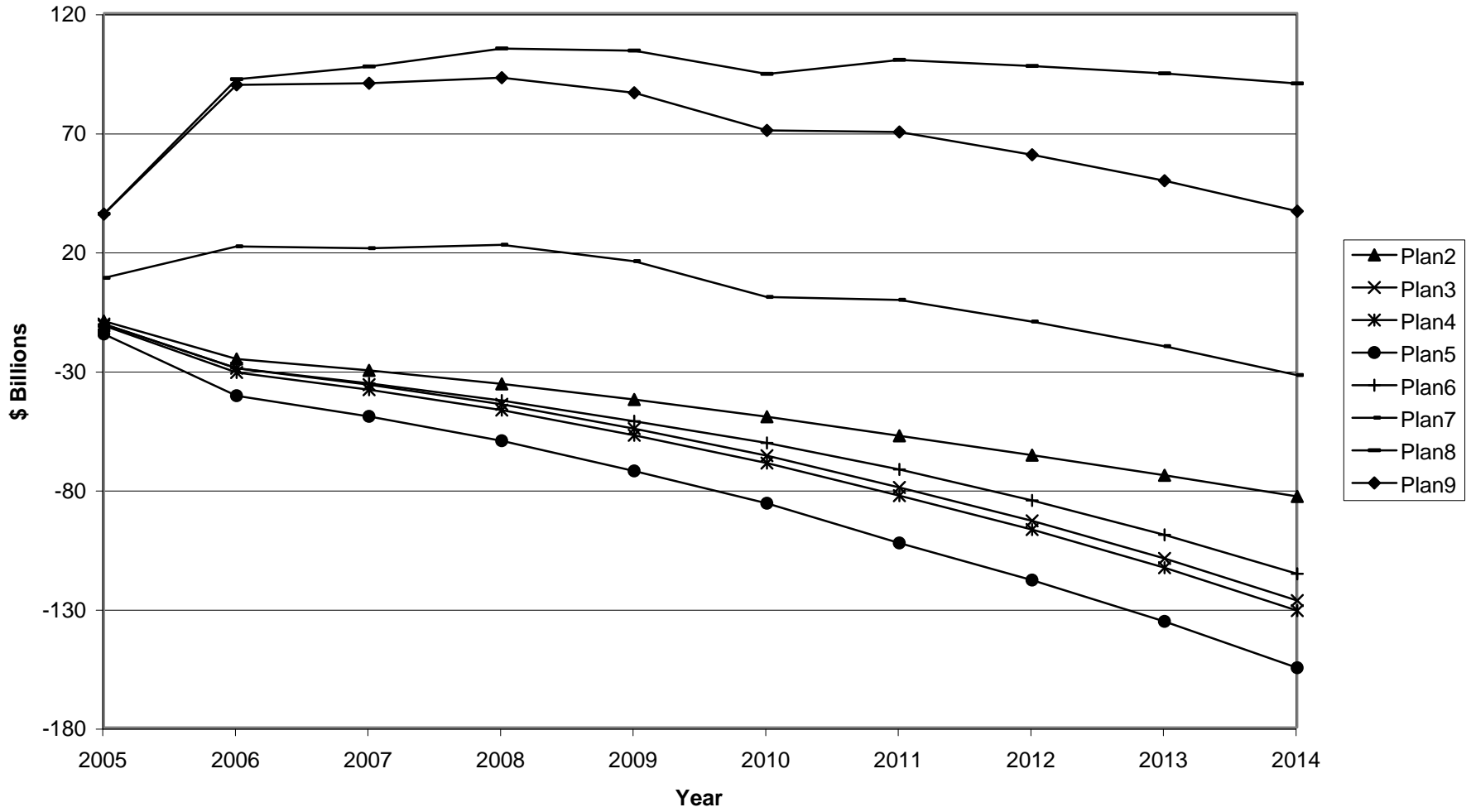


Figure 6a
Change in Revenue from AMT Reform (Current Law Baseline), 2005-2014



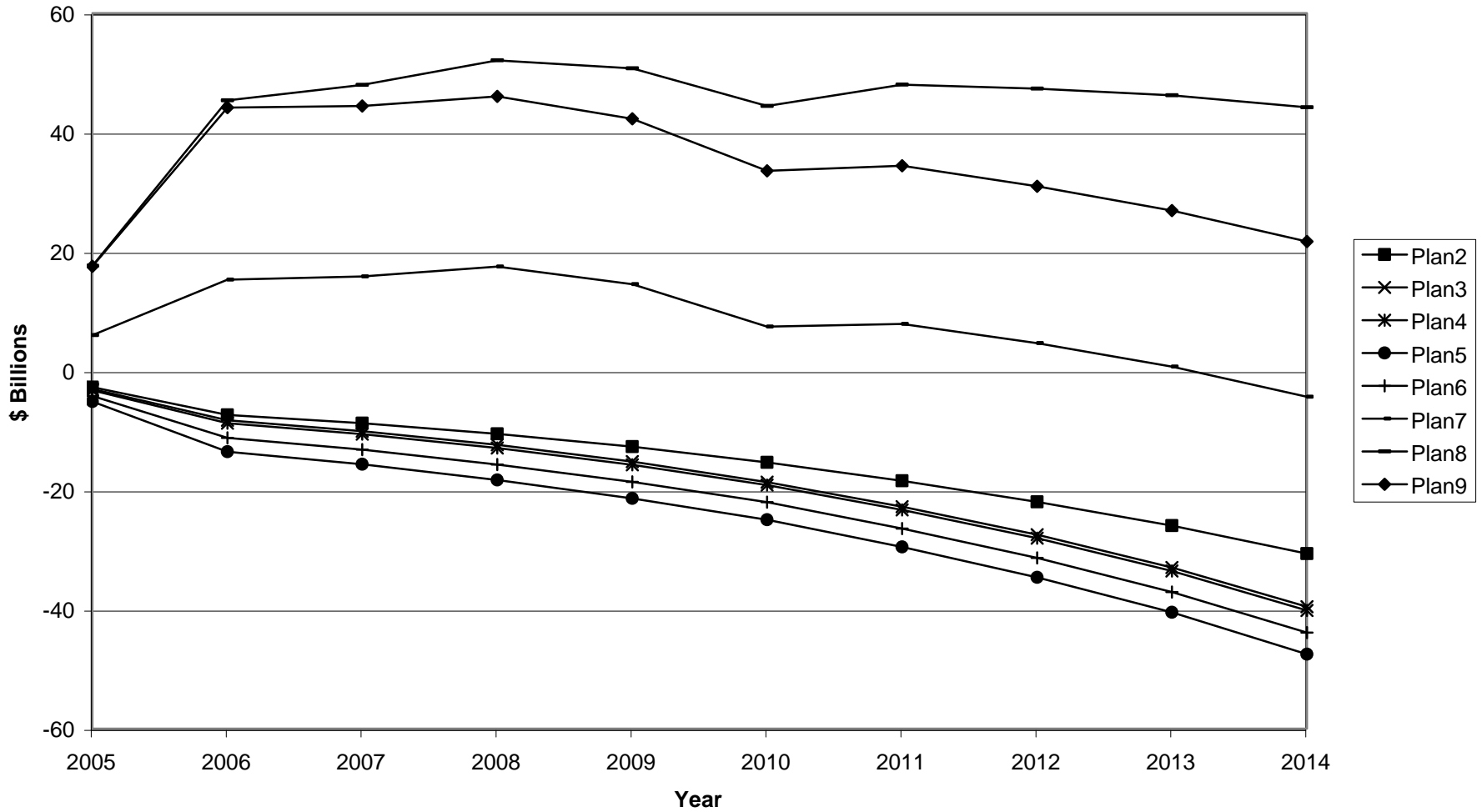
See Table 9 for a description of the plans.

Figure 6b
Change in Revenue from AMT Reform (Extended Baseline), 2005-2014



See Table 9 for a description of the plans.

Figure 6c
Change in Revenue from AMT Reform (Pre-EGTRRA Baseline), 2005-2014



See Table 9 for a description of the plans.