

Ortman

ANALYSIS OF GOV. DAYTON'S 4TH TIER WITHOUT INFLATION ADJUSTMENT

Proposed new 4th Tier Rate = 10.95%

2/24/2011

Filing Status	Proposed Start of 4th Bracket
Married Joint	\$150,000
Married Separate	\$75,000
Single	\$85,000
Head of Household	\$130,000

TAX YEAR	NUMBER OF TAX RETURNS	NUMBER OF RETURNS WITH TAX INCREASES	% OF RETURNS WITH TAX INCREASE	% OF MARRIED FILERS	% OF SINGLE FILERS
TY2011	2,536,380	138,278	5.5%	9.6%	2.3%
TY2012	2,585,775	155,490	6.0%	10.6%	2.6%
TY2013	2,635,452	167,303	6.3%	11.1%	2.8%
TY2014	2,686,985	181,704	6.8%	11.7%	3.1%
TY2015	2,736,837	201,123	7.3%	12.7%	3.4%

Estimated for tax years 2011-2015 using the House Income Tax Simulation (HITS) Model.

In tax year 2015, the inflation adjusted third bracket gets close to the noninflation adjusted proposed fourth bracket.

Filing Status	TY 2011 top of 3rd bracket	TY 2015 top of 3rd bracket
Married Joint	\$134,170	\$144,370
Married Separate	\$67,090	\$72,180
Single	\$75,890	\$81,660
Head of Household	\$114,290	\$122,980