

Individual tax returns affected by the expiration of the top two tax rates in 2013

Type of Return	All returns	"At-Risk" Returns		Returns in top two tax brackets with higher tax liability	
		Total	% of all returns	Total	% of all returns
All returns	146.2	3.8	2.6%	1.5	1.0%
Adjusted Gross Income (AGI)	\$9,362	\$2,860	30.6%	\$1,687	18.0%
Total business income (less losses)	\$922	\$653	70.8%	\$560	60.7%
Returns w/ positive business income	25.5	2.1	8.2%	0.9	3.6%
AGI	\$3,090	\$1,667	53.9%	\$1,120	36.3%
Total business income	\$1,189	\$723	60.8%	\$576	48.5%
Returns w/ positive S corp income	3.8	0.9	23.2%	0.5	12.6%
AGI	\$1,187	\$913	76.9%	\$688	58.0%
Total business income (less losses)	\$561	\$467	83.2%	\$412	73.4%
S corp income	\$492	\$404	82.0%	\$354	71.9%
Returns w/ positive partnership income	3.9	1.0	25.7%	0.5	11.9%
AGI	\$1,226	\$964	78.6%	\$656	53.5%
Total business income (less losses)	\$455	\$387	85.0%	\$320	70.3%
Partnership income	\$272	\$215	79.1%	\$165	60.9%
Returns w/ positive sole prop income	17.2	0.8	4.5%	0.3	1.7%
AGI	\$1,395	\$535	38.3%	\$311	22.3%
Total business income (less losses)	\$460	\$169	36.8%	\$122	26.4%
Sole prop income	\$382	\$90	23.6%	\$51	13.4%
Returns w/ positive other* business income	5.8	0.6	9.7%	0.2	3.9%
AGI	\$838	\$493	58.8%	\$303	36.1%
Total business income (less losses)	\$260	\$180	69.3%	\$146	56.4%
Other business income	\$102	\$42	41.6%	\$20	20.0%

Note: "At-risk" returns includes single returns with AGI > \$200,000 and joint returns with AGI > \$250,000. The AGI thresholds are at 2009 levels and would be indexed for inflation thereafter. Most returns that are "at risk" who are not in the top two brackets are AMT returns. Returns with business income includes returns that report sole proprietorship, farm proprietorship, partnership, S corporation or rental income or losses. Other business income includes rental income reported on schedule E and farm income on schedule F. Returns figures are in Source: Ernst & Young LLP Individual Tax Microsimulation Model.