



TAX POLICY CENTER
URBAN INSTITUTE & BROOKINGS INSTITUTION

A PRELIMINARY ANALYSIS OF THE UNIFIED FRAMEWORK

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September 29, 2017

ABSTRACT

The Tax Policy Center has produced preliminary estimates of the potential impact of proposals included in the “Unified Framework for Fixing Our Broken Tax Code.” We find they would reduce federal revenue by \$2.4 trillion over ten years and \$3.2 trillion over the second decade (not including any dynamic feedback). In 2018, all income groups would see their average taxes fall, but some taxpayers in each group would face tax increases. Those with the very highest incomes would receive the biggest tax cuts. The tax cuts are smaller as a percentage of income in 2027, and taxpayers in the 80th to 95th income percentiles would, on average, experience a tax increase.

The findings and conclusions contained within are those of the authors and do not necessarily reflect positions or policies of the Urban Institute, the Brookings Institution or their funders.

On September 27, 2017, the White House and the congressional Republican leadership (the “Big Six”) released their “[Unified Framework for Fixing Our Broken Tax Code](#).” The framework would collapse the seven individual income tax rates to three (12, 25, and 35 percent), increase the standard deduction, eliminate personal exemptions, increase the child tax credit, eliminate most itemized deductions, repeal the individual and corporate alternative minimum taxes, repeal the estate tax, reduce the corporate tax rate from 35 to 20 percent, tax pass-through business income at a top rate of 25 percent, allow businesses to fully expense investment in equipment and machinery for at least five years, and adopt a territorial tax system that would exempt the foreign earnings of US corporations from US tax.

Many aspects of the plan were unspecified or left to be determined by the tax writing committees in Congress. The Tax Policy Center (TPC) has completed a preliminary analysis of the proposals contained in the unified framework based on previous proposals such as the House Republican leadership’s “A Better Way” blueprint and the Trump administration’s April outline. While the revenue, distributional, and economic effects are likely to change as policy makers negotiate the details, this analysis provides an estimate of the effects of the September 27 framework as we currently understand it.

This report uses conventional scoring methods that assume the tax proposals do not affect the overall level of economic activity. TPC will release supplemental estimates that include macroeconomic feedback effects soon. Based on TPC and the Penn Wharton Budget Model’s analyses of the macroeconomic effects of the House Republican leadership tax blueprint of 2016 (which shares many characteristics with the unified framework), we would expect the framework to have little macroeconomic feedback effect on revenues over the first decade.

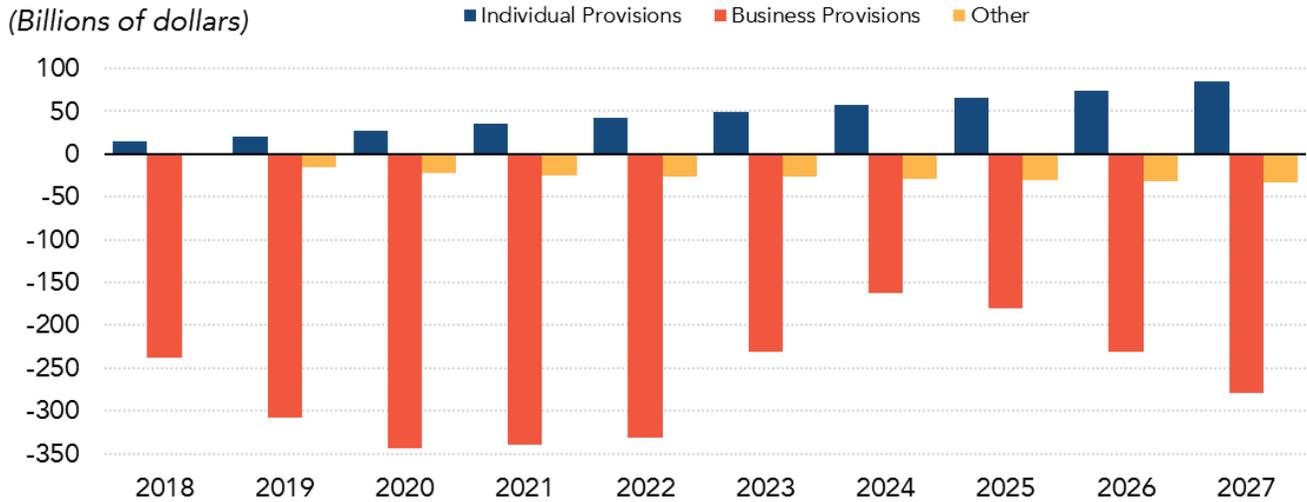
TPC will update and revise this preliminary analysis as additional details of the proposal are made available.

RESULTS AT A GLANCE

TPC estimates that the proposal would reduce federal revenues by \$2.4 trillion over the first ten years and \$3.2 trillion over the subsequent decade. The business income tax provisions—including those affecting corporations and pass-through businesses—would reduce revenues by \$2.6 trillion over the first ten years. Elimination of estate and gift taxes would lose another \$240 billion. The individual income tax provisions (excluding those related to business income) would increase revenues by about \$470 billion over the same period.

FIGURE 1

Revenue Effects of Tax Proposals in the Unified Framework FY 2018-27



Source: Urban-Brookings Tax Policy Center (TPC) Microsimulation Model (version 0217-1) and TPC calculations.
Note: Other includes repealing the estate and GST (generation skipping transfer) taxes.

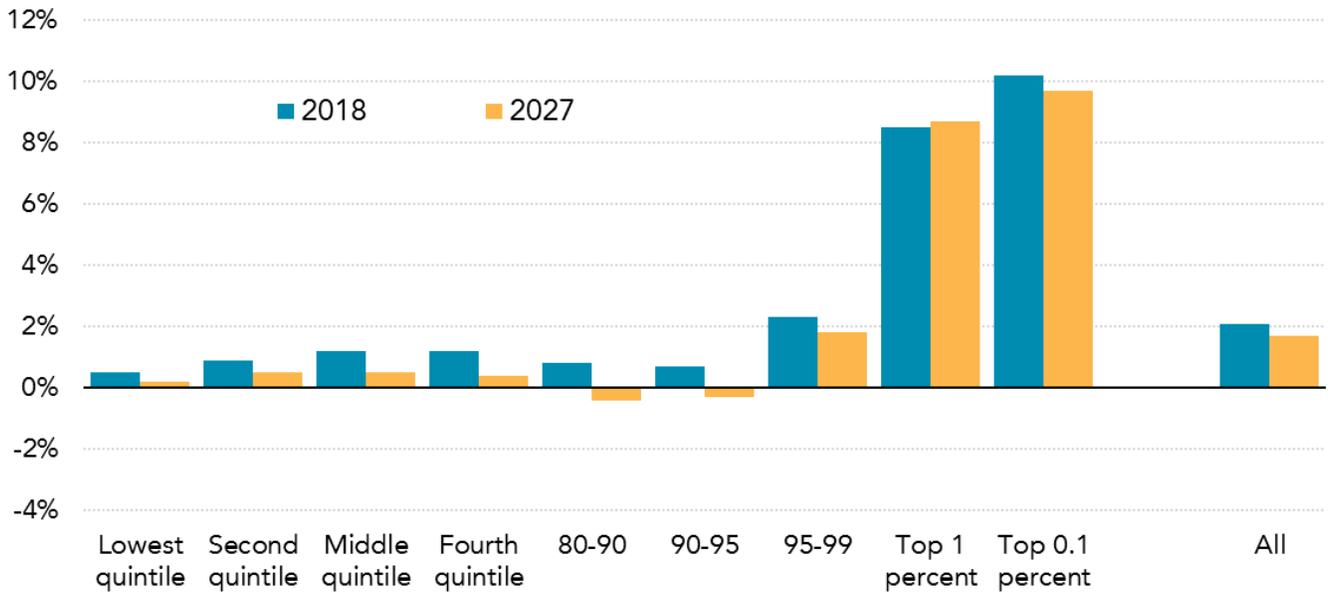
In 2018, the average tax bill for all income groups would decline. Taxpayers in the bottom 95 percent of the income distribution would see average after-tax incomes increase between 0.5 and 1.2 percent. Taxpayers in the top 1 percent (incomes above \$730,000), would receive about 50 percent of the total tax benefit; their after-tax income would increase an average of 8.5 percent. Between 2018 and 2027, the average tax cut as a share of after-tax income would fall for all income groups other than the top 1 percent. In 2027, taxpayers between the 80th and 95th percentiles of income (between about \$150,000 and \$300,000) would experience a slight tax increase on average.

FIGURE 2

Percent Change in After-tax Income From Proposals in the Unified Framework



By expanded cash income percentile, 2018 and 2027



Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

OVERVIEW OF THE UNIFIED FRAMEWORK

The framework includes tax rates, standard deduction amounts, and other important tax policy parameters. However, it does not specify the income brackets to which the individual tax rates would apply, the maximum size and phase-out parameters of the increased child tax credit, or details about the treatment of tax expenditures and other preferences. Below we summarize the main proposals included in the unified framework. To perform our analysis, we made many key assumptions that are detailed in appendix A. We assume that all provisions (except the expensing of certain investments; see below) would be effective January 1, 2018.

Individual Provisions

The framework includes the following proposals that would change the individual income tax, excluding those related to pass-through income:

- Repeal the alternative minimum tax.
- Set individual income tax rates of 12, 25, and 35 percent. (The framework allows for a possible fourth rate above 35 percent if needed to achieve distributional goals. While the framework does not specify the income levels to which the rates would apply, we base our

analysis on the brackets proposed in the House Republican leadership’s “A Better Way” blueprint.)

- Increase the standard deduction to \$12,000 for single filers and \$24,000 for joint filers.
- Increase the child credit and raise the income level at which the credit phases out for joint filers.
- Create a \$500 nonrefundable credit for “non-child dependents.”
- Repeal all personal exemptions for taxpayers and dependents.
- Repeal most itemized deductions other than those for mortgage interest and charitable contributions.
- Repeal other exemptions, deductions, and credits. (The framework does not specify any of the exemptions, deductions, or credits that would be repealed, but does say it would retain incentives for retirement saving and education.)
- Use an alternative measure of inflation to index tax brackets and other tax parameters.

Business Provisions

The framework also includes the following business income tax provisions:

- Reduce the maximum tax rate on income from pass-through businesses to 25 percent. (The framework suggests it would adopt rules to prevent taxpayers from recharacterizing wage and other income as pass-through income but it offers no specifics.)
- Reduce the corporate income tax rate to 20 percent and repeal the corporate alternative minimum tax.
- Allow full expensing for new investments in depreciable property other than structures for at least five years (effective September 28, 2017).
- Partially limit the ability of corporations to deduct net interest. (The framework offered no specifics on how this limit might work.)
- Repeal the domestic production activities deduction (Section 199) and some business credits (excluding the research and experimentation (R&E) and low-income housing (LIHC) credits).
- Repeal other business-related special exclusions and deductions. (The framework does not specify any of the special exclusions or deductions that would be repealed.)
- Adopt a territorial system of taxing foreign-source income with provisions to limit avoidance and impose a one-time tax on unrepatriated foreign earnings.

Other Provisions

- Repeal the estate tax and generation-skipping transfer taxes.

REVENUE EFFECTS

Using conventional scoring methods, we estimate that the proposals contained in the framework would reduce federal tax revenues by \$2.4 trillion over the first decade and by \$3.2 trillion over the following decade (table 1).

Over the first 10 years, the individual income tax provisions—excluding those related to the taxation of corporations, pass-throughs, and estates—would raise \$470 billion, the business provisions would reduce revenues by \$2.6 trillion, and repealing the estate tax would cost another \$240 billion. The revenue gain from these individual provisions would increase over the ten-year budget window. The revenue loss from the business income tax provisions would be higher in the first five years because expanded business expensing expires after that period.

Over the following decade (fiscal years 2028–37), the individual provisions would raise much more revenue, \$1.4 trillion, while the business provisions would lose much more revenue, \$4.1 trillion, and estate tax repeal would cost an additional \$440 billion. The resulting overall revenue loss would be \$3.2 trillion.

TABLE 1

Revenue Effects of Tax Proposals in the Unified Framework

Billions of dollars, fiscal years 2018–37



Provision	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-27	2028-37
Individual Provisions												
Repeal individual alternative minimum tax	-26.6	-36.7	-39.3	-41.6	-43.7	-45.7	-47.9	-50.4	-52.7	-54.9	-439.5	-713.9
Individual income tax rates of 12, 25, and 35%	-70.1	-97.7	-102.4	-107.9	-113.9	-120.3	-127.5	-135.3	-143.2	-151.4	-1,169.6	-2,015.6
Increase standard deduction	-60.0	-79.8	-80.5	-81.5	-83.5	-85.4	-86.7	-89.2	-91.0	-92.8	-830.4	-1,120.7
Increase child credit to \$1,500 and enact \$500 non-child dependent credit	-20.5	-27.7	-27.8	-27.9	-28.0	-27.9	-27.9	-27.8	-27.8	-27.6	-271.0	-271.1
Repeal personal exemptions	104.2	142.7	147.7	152.8	157.9	163.0	169.5	175.2	180.6	187.4	1,581.1	2,292.7
Repeal state and local tax deduction	78.3	103.4	110.2	118.5	126.2	134.2	142.9	152.2	162.1	172.0	1,300.0	2,340.8
Repeal most other itemized deductions	8.3	12.0	13.5	14.9	16.5	18.1	19.7	21.6	24.1	26.7	175.5	375.6
Index tax system using chain-weighted CPI	1.1	3.5	6.2	7.7	10.7	13.0	16.0	19.5	22.2	25.1	125.0	484.9
Repeal other individual tax preferences	<i>Insufficient detail to estimate</i>											
Subtotal	14.6	19.8	27.7	35.0	42.2	49.0	58.0	65.9	74.3	84.5	471.0	1,372.6
Business Provisions												
Limit individual tax rate on pass-through income to 25% ^a	-38.2	-55.6	-61.4	-67.8	-75.0	-80.9	-87.0	-93.8	-101.1	-108.9	-769.6	-1,459.4
Reduce corporate rate to 20% and repeal corporate AMT	-87.6	-173.0	-204.3	-202.9	-205.4	-209.1	-215.2	-222.1	-230.2	-239.5	-1,989.4	-2,990.6
Expensing of equipment through 2022	-130.0	-109.5	-112.9	-104.6	-86.1	23.6	104.3	99.2	73.0	51.1	-191.9	146.6
Partial limit on the corporate deduction for net interest	<i>Insufficient detail to estimate</i>											
Enact territorial tax system	-3.7	-7.5	-8.6	-8.9	-9.2	-9.6	-9.9	-10.3	-10.8	-11.2	-89.6	-139.6
One-time deemed repatriation tax at reduced rates	9.0	18.1	20.1	20.1	20.1	20.1	20.1	20.1	11.1	2.0	160.9	0.0
Repeal certain business tax expenditures	10.1	19.6	22.9	24.0	24.6	25.1	25.6	26.2	26.7	27.2	232.1	307.3
Repeal other business tax preferences	<i>Insufficient detail to estimate</i>											
Subtotal	-240.3	-307.9	-344.2	-340.0	-330.9	-230.7	-162.1	-180.8	-231.3	-279.3	-2,647.6	-4,135.7
Other Provisions												
Repeal estate and GST taxes	0.0	-15.3	-22.8	-24.7	-25.8	-27.0	-28.5	-30.0	-31.6	-33.2	-238.9	-443.3
Subtotal	0.0	-15.3	-22.8	-24.7	-25.8	-27.0	-28.5	-30.0	-31.6	-33.2	-238.9	-443.3
Total	-225.7	-303.4	-339.4	-329.7	-314.5	-208.6	-132.5	-145.0	-188.7	-228.0	-2,415.5	-3,206.4

Sources: Urban-Brookings Tax Policy Center (TPC) Microsimulation Model (version 0217-1) and TPC calculations.

Note: AMT = alternative minimum tax; CPI = consumer price index; GST = generation skipping transfer.

(a) Includes revenue effects of taxpayers re-characterizing wage income to qualify for the lower rate on pass-through income of (in billions of dollars):

FY2018 -1.6, FY2019 -4.0, FY2020 -6.8, FY2021 -10.1, FY2022 -13.7, FY2023 -15.6, FY2024 -17.0, FY2025 -18.3, FY2026 -19.9, FY2027 -21.4, FY2018-2027 -128.5, FY2028-2037 -298.5.

DISTRIBUTIONAL EFFECTS

In 2018, taxes would decline by nearly \$1,600 on average, increasing after-tax incomes by 2.1 percent (table 2). Taxpayer groups in the bottom 95 percent of the income distribution would see modest tax cuts, averaging 1.2 percent of after-tax income or less. The benefit would be largest for taxpayers in the top 1 percent (those making more than \$730,000), who would see their after-tax income increase 8.5 percent.

In 2018, about 12 percent of taxpayers would face a tax increase of roughly \$1,800 on average. More than a third of taxpayers making between about \$150,000 and \$300,000 would pay more, mainly because most itemized deductions would be repealed.

In 2027, the overall average tax cut would be smaller than in 2018, increasing after-tax incomes 1.7 percent (table 3). Taxpayer groups in the bottom 80 percent of the income distribution—those making less than about \$150,000—would receive average tax cuts of 0.5 percent or less of after-tax income. Taxpayers making between about \$150,000 and \$300,000 would on average pay about \$800 more in taxes than under current law. About 80 percent of the total benefit would accrue to taxpayers in the top 1 percent, whose after-tax income would increase 8.7 percent. An alternative presentation of the distributional effects of the framework is available in appendix B.

By 2027, taxes would rise for roughly one-quarter of taxpayers, including nearly 30 percent of those with incomes between about \$50,000 and \$150,000 and 60 percent of those making between about \$150,000 and \$300,000. The number of taxpayers with a tax increase rises over time. This is because the plan would replace personal exemptions, which are indexed for inflation, with additional credits for children and non-child dependents that are not indexed for inflation. In addition, indexing tax brackets and other parameters to the slower-growing chained Consumer Price Index means that over time more income is subject to tax at higher rates.

TABLE 2

Distribution of Federal Tax Change From Proposals in the Unified Framework

By expanded cash income percentile, 2018^a



Expanded cash income percentile ^b	Tax units with tax cut or increase				Percent change in after-tax income ^c	Share of total federal tax change (%)	Average federal tax change	Average federal tax rate ^d		
	With tax cut		With tax increase					Change (% points)	Under the proposal (%)	
	Percent of tax units	Average tax cut	Percent of tax units	Average tax increase						
Lowest quintile	70.9	-90	1.2	280	0.5	1.1	-60	-0.4	3.7	
Second quintile	87.9	-370	6.4	530	0.9	4.1	-290	-0.8	7.9	
Middle quintile	85.4	-940	13.5	1,000	1.2	8.2	-660	-1.0	12.8	
Fourth quintile	79.4	-1,860	20.4	1,790	1.2	11.6	-1,110	-1.0	16.4	
Top quintile	67.5	-13,930	32.3	2,880	3.3	74.5	-8,470	-2.4	23.0	
All	78.4	-2,290	12.2	1,840	2.1	100.0	-1,570	-1.7	18.1	
Addendum										
80-90	67.0	-2,810	32.7	2,280	0.8	5.1	-1,140	-0.6	19.5	
90-95	59.5	-4,490	40.2	2,920	0.7	3.3	-1,500	-0.6	21.4	
95-99	73.5	-11,560	26.5	3,320	2.3	12.8	-7,620	-1.7	23.5	
Top 1 percent	89.3	-146,470	10.7	17,970	8.5	53.3	-129,030	-5.7	26.8	
Top 0.1 percent	97.5	-747,580	2.4	265,040	10.2	30.3	-722,510	-6.8	26.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1)

Notes: Number of Alternative Minimum Tax (AMT) taxpayers (millions): Baseline: 5.2; Proposal: 0.

(a) Calendar year. Baseline is current law.

(b) Percentiles include both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. The 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 2017 dollars): 20% \$25,000; 40% \$48,600; 60% \$86,100; 80% \$149,400; 90% \$216,800; 95% \$307,900; 99% \$732,800; 99.9% \$3,439,900. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(c) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(d) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

TABLE 3

Distribution of Federal Tax Change From Proposals in the Unified Framework

By expanded cash income percentile, 2027^a

Expanded cash income percentile ^b	Tax units with tax cut or increase				Percent change in after-tax income ^c	Share of total federal tax change (%)	Average federal tax change	Average federal tax rate ^d		
	With tax cut		With tax increase					Change (% points)	Under the proposal (%)	
	Percent of tax units	Average tax cut	Percent of tax units	Average tax increase						
Lowest quintile	62.6	-100	9.3	190	0.2	0.8	-50	-0.2	4.1	
Second quintile	71.6	-460	19.8	510	0.5	3.0	-230	-0.5	8.4	
Middle quintile	70.8	-1,100	27.8	1,290	0.5	4.9	-420	-0.5	13.4	
Fourth quintile	66.5	-1,920	33.1	2,510	0.4	4.3	-450	-0.3	16.7	
Top quintile	46.4	-27,910	53.4	4,400	3.0	86.6	-10,610	-2.2	24.0	
All	64.7	-3,480	25.3	2,220	1.7	100.0	-1,690	-1.4	18.8	
Addendum										
80-90	41.4	-3,250	58.4	3,710	-0.4	-3.5	820	0.4	20.1	
90-95	38.4	-5,110	61.5	4,420	-0.3	-1.5	760	0.2	22.1	
95-99	59.6	-16,200	40.3	4,990	1.8	11.9	-7,640	-1.4	24.2	
Top 1 percent	90.1	-234,050	9.8	39,350	8.7	79.7	-207,060	-5.8	27.6	
Top 0.1 percent	97.0	-1,071,340	3.0	549,600	9.7	39.6	-1,022,120	-6.4	27.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1)

Notes: Number of Alternative Minimum Tax (AMT) taxpayers (millions): Baseline: 5.6; Proposal: 0.

(a) Calendar year. Baseline is current law.

(b) Percentiles include both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. The 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 2017 dollars): 20% \$28,100; 40% \$54,700; 60% \$93,200; 80% \$154,900; 90% \$225,400; 95% \$304,600; 99% \$912,100; 99.9% \$5,088,900. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(c) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(d) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

APPENDIX A. DETAILED ASSUMPTIONS USED FOR MODELING THE UNIFIED FRAMEWORK

Many aspects of the unified framework were not fully specified or left to be determined by the tax writing committees in Congress. TPC’s preliminary analysis made the following assumptions:

Individual income tax structure: Our analysis uses the bracket thresholds proposed in the 2016 House Republican leadership’s “A Better Way” tax plan:

TABLE A1

Tax Rate Structure



Taxable Income (\$)				Current law marginal rate (%)	Proposed marginal rate (%)
Single Filers		Married Couples Filing Jointly			
Over	But not over	Over	But not over		
0	9,325	0	18,650	10	12
9,325	37,950	18,650	75,900	15	
37,950	91,900	75,900	153,100	25	25
91,900	191,650	153,100	233,350	28	
191,650	416,700	233,350	416,700	33	
416,700	418,400	416,700	470,700	35	35
418,400	and over	470,700	and over	39.6	

Notes: Income thresholds are based on current law brackets for tax year 2017.

Standard deduction: Our analysis sets the standard deduction amounts (for tax year 2018) at: \$12,000 for single filers, \$24,000 for married couples filing jointly, and \$18,000 for head of household filers.

Child tax credit: Our analysis increases the child tax credit to \$1,500 (up from \$1,000 under current law), and increases the income level at which the credit begins to phase out for married couples filing jointly to \$150,000 (double the level for single filers). Statements by President Trump have suggested the child tax credit might be increased above the \$1,500 level included in the 2016 House Republican leadership “A Better Way” blueprint. The increase in the child tax credit is nonrefundable (while the first \$1,000 per child remains partially refundable as under current law).

Credit for non-child dependents: Our analysis allows for a \$500 non-refundable credit for all dependents age 17 or older, who would be ineligible for the child tax credit. The credit is not indexed for inflation and is assumed to phase out along with the child tax credit.

Index tax system with alternative measure of inflation: Our analysis would substitute the current measure of inflation with the chain-weighted consumer price index for all urban consumers (CCPI-U). Based on the Congressional Budget Office's estimates, we assume the CCPI-U will grow 0.25 percentage points slower per year over the forecast period than the CPI-U. That means that tax rate brackets, standard deduction amounts, and other indexed tax parameters will grow more slowly over time, subjecting more income to tax at higher tax rates and reducing the value of indexed tax credits.

Limit the individual tax rate on pass-through income to 25 percent: Our analysis limits the maximum individual income tax rate on pass-through income to 25 percent. Income that would qualify for that rate would include all net income from sole proprietorships, farms, rental real estate, partnerships and S corporations. The framework suggested the plan would adopt rules to prevent taxpayers from recharacterizing wage and other income as pass-through income but offered no specifics. Our analysis incorporates the effect that the tax rate differential between ordinary and pass-through income would have on reported incomes.

Allow full expensing of equipment for at least five years: Our analysis allows for full expensing of equipment and machinery (generally assets with a recovery period of 20 years or less) placed in service between September 28, 2017 and December 31, 2022.

Partially limit the ability of corporations to deduct net interest expense: The framework does not offer any specifics on this proposal, leaving it to the tax writing committees to determine. Therefore, we do not include it in our preliminary analysis, but will incorporate it when additional details are provided.

Repeal certain business tax expenditures: Our analysis eliminates the domestic production activities deduction (Section 199) and all business credits other than the R&E and LIHC credits. The framework does not offer specifics on any other business tax expenditures to be repealed, so we could not include these repeals in our preliminary analysis but will incorporate them when additional details are provided.

Enact a territorial tax system with a one-time deemed repatriation tax: Our estimates assume that the proposed rules for protecting the US tax base under the territorial system would be effective. The deemed repatriation tax is assumed to have the same rates as the 2014 proposal of former Ways and Means Chairman Dave Camp, and will be similarly payable over eight years.

APPENDIX B. ALTERNATIVE DISTRIBUTION

TABLE B1

Alternative Ways of Presenting Change in Distribution of Tax Burdens By expanded cash income percentile



Expanded cash income percentile ^b	Percent change in after-tax income ^c	Share of total federal tax change (%)	Average federal tax change ^d		Share of federal taxes	
			Dollars	Percent	Change (% points)	Under the proposal (%)
Panel A: 2018^a						
Lowest quintile	0.5	1.1	-60	-10.4	0.0	0.9
Second quintile	0.9	4.1	-290	-9.3	0.0	3.8
Middle quintile	1.2	8.2	-660	-7.2	0.2	10.1
Fourth quintile	1.2	11.6	-1,110	-5.5	0.6	18.7
Top quintile	3.3	74.5	-8,470	-9.6	-0.7	66.5
All	2.1	100.0	-1,570	-8.6	0.0	100.0
Addendum						
80-90	0.8	5.1	-1,140	-3.1	0.9	15.1
90-95	0.7	3.3	-1,500	-2.6	0.7	11.4
95-99	2.3	12.8	-7,620	-6.9	0.3	16.4
Top 1 percent	8.5	53.3	-129,030	-17.6	-2.6	23.5
Top 0.1 percent	10.2	30.3	-722,510	-20.4	-1.7	11.1
Panel B: 2027^a						
Lowest quintile	0.2	0.8	-50	-5.4	0.0	1.0
Second quintile	0.5	3.0	-230	-5.0	0.1	4.1
Middle quintile	0.5	4.9	-420	-3.4	0.4	10.2
Fourth quintile	0.4	4.3	-450	-1.7	0.9	17.3
Top quintile	3.0	86.6	-10,610	-8.5	-1.3	67.4
All	1.7	100.0	-1,690	-6.7	0.0	100.0
Addendum						
80-90	-0.4	-3.5	820	1.8	1.2	14.4
90-95	-0.3	-1.5	760	1.1	0.8	10.3
95-99	1.8	11.9	-7,640	-5.3	0.2	15.4
Top 1 percent	8.7	79.7	-207,060	-17.4	-3.5	27.2
Top 0.1 percent	9.7	39.6	-1,022,120	-19.0	-1.8	12.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1)

(a) Calendar year. Baseline is current law.

(b) Percentiles include both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. The 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.

(c) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(d) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.



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