

T15-0230
Benefits from Mortgage Interest Deduction and 15 Percent Non-refundable Credit, 2016 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units (thousands)	Tax Units with Mortgage Interest		Current Mortgage Interest Deduction						15 Percent Non-refundable Credit					
				Tax Units with Benefit ⁴		Average Benefit (dollars)				Tax Units with Benefit ⁴		Average Benefit (dollars)			
						Current Law Limits ⁵		\$500,000 Limit ⁶				Current Law Limits		\$500,000 Limit	
		Number (thousands)	Percent Within Class	Number (thousands)	Percent Within Class	All Tax Units	Tax Units With Benefit	All Tax Units	Tax Units With Benefit	Number (thousands)	Percent Within Class	All Tax Units	Tax Units With Benefit	All Tax Units	Tax Units With Benefit
Lowest Quintile	47,691	2,793	5.9	216	0.5	1	206	1	206	471	1.0	3	258	3	258
Second Quintile	37,422	6,937	18.5	1,546	4.1	18	441	18	439	3,297	8.8	38	430	38	430
Third Quintile	33,984	12,983	38.2	5,356	15.8	129	819	129	815	10,385	30.6	186	609	186	608
Fourth Quintile	28,418	17,294	60.9	10,391	36.6	474	1,296	463	1,267	16,614	58.5	542	928	534	913
Top Quintile	23,750	17,813	75.0	16,186	68.2	2,134	3,131	1,915	2,810	17,601	74.1	1,252	1,689	1,144	1,544
All	172,532	57,872	33.5	33,694	19.5	401	2,056	369	1,892	48,368	28.0	307	1,096	291	1,038
Addendum															
80-90	12,233	8,887	72.7	7,643	62.5	1,228	1,965	1,189	1,903	8,799	71.9	955	1,328	925	1,287
90-95	5,942	4,583	77.1	4,322	72.7	2,115	2,907	1,982	2,725	4,522	76.1	1,264	1,662	1,186	1,559
95-99	4,447	3,574	80.4	3,490	78.5	3,834	4,885	3,315	4,224	3,528	79.3	1,793	2,260	1,556	1,962
Top 1 Percent	1,129	769	68.2	731	64.8	5,359	8,274	3,918	6,057	753	66.8	2,272	3,403	1,675	2,509
Top 0.1 Percent	115	63	54.1	59	51.0	4,588	9,004	2,991	5,878	61	52.7	2,126	4,031	1,417	2,687

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-3).

(1) Calendar year.

(2) Includes 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. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) 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 2015 dollars): 20% \$22,823; 40% \$44,550; 60% \$79,661; 80% \$141,303; 90% \$207,758; 95% \$294,348; 99% \$720,886; 99.9% \$3,672,221.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value. Estimates are static and do not assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced.

(5) Interest would be eligible subject to current law limits (\$1,000,000 of debt on a primary residence or second home, and \$100,000 in home equity loans).

(6) Interest would be eligible up to a maximum of \$500,000 of debt on a primary residence, second home, and/or a home equity loan.