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Table T15-0227

Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000

Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit

Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>

Summary Table

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut		With Tax Increase					Change (%) Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Less than 10	0.0	0	0.0	0	0.0	0.0	0	0.0	7.6
10-20	0.0	0	0.0	0	0.0	0.0	0	0.0	3.5
20-30	0.0	0	0.0	0	0.0	0.0	0	0.0	5.5
30-40	0.0	0	0.0	0	0.0	0.0	0	0.0	8.8
40-50	0.0	0	*	**	0.0	0.1	0	0.0	11.4
50-75	0.0	0	0.1	321	0.0	0.2	0	0.0	13.7
75-100	0.0	0	0.5	1,388	0.0	3.5	6	0.0	16.3
100-200	0.0	0	1.7	1,154	0.0	18.2	19	0.0	19.2
200-500	0.0	0	7.0	1,641	-0.1	41.7	115	0.0	23.9
500-1,000	0.0	0	20.4	2,179	-0.1	20.4	443	0.1	29.0
More than 1,000	0.0	0	25.6	2,538	0.0	16.0	650	0.0	34.9
All	0.0	0	1.0	1,669	0.0	100.0	17	0.0	20.5
Addendum									
100-125	0.0	0	0.9	1,038	0.0	3.6	9	0.0	17.6
125-150	0.0	0	1.5	1,118	0.0	4.4	17	0.0	18.8
150-175	0.0	0	2.2	1,157	0.0	4.7	26	0.0	20.1
175-200	0.0	0	3.3	1,274	0.0	5.5	42	0.0	21.3

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

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 4.9

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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 taxes; and excise taxes.

(5) 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 T15-0227**  
**Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000**  
**Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	7.6
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	3.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	5.5
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	8.8
40-50	0.0	*	0.0	0.1	0	0.0	0.0	2.2	0.0	11.4
50-75	0.0	0.1	0.0	0.2	0	0.0	0.0	6.6	0.0	13.7
75-100	0.0	0.5	0.0	3.5	6	0.0	0.0	7.5	0.0	16.3
100-200	0.0	1.7	0.0	18.2	19	0.1	0.0	24.0	0.0	19.2
200-500	0.0	7.0	-0.1	41.7	115	0.2	0.0	23.2	0.0	23.9
500-1,000	0.0	20.4	-0.1	20.4	443	0.2	0.0	8.5	0.1	29.0
More than 1,000	0.0	25.6	0.0	16.0	650	0.1	0.0	24.5	0.0	34.9
All	0.0	1.0	0.0	100.0	17	0.1	0.0	100.0	0.0	20.5
<b>Addendum</b>										
100-125	0.0	0.9	0.0	3.6	9	0.1	0.0	7.1	0.0	17.6
125-150	0.0	1.5	0.0	4.4	17	0.1	0.0	6.4	0.0	18.8
150-175	0.0	2.2	0.0	4.7	26	0.1	0.0	5.6	0.0	20.1
175-200	0.0	3.3	0.0	5.5	42	0.1	0.0	5.0	0.0	21.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2016 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	14,724	8.5	5,753	0.6	439	0.2	5,314	0.7	7.6
10-20	26,039	15.1	15,359	2.7	537	0.5	14,822	3.2	3.5
20-30	21,906	12.7	25,245	3.7	1,375	1.0	23,870	4.4	5.5
30-40	16,072	9.3	35,565	3.8	3,131	1.6	32,434	4.4	8.8
40-50	13,205	7.7	45,784	4.0	5,200	2.2	40,584	4.5	11.4
50-75	23,789	13.8	62,910	10.0	8,598	6.6	54,312	10.8	13.7
75-100	15,880	9.2	88,631	9.4	14,457	7.5	74,174	9.9	16.3
100-200	27,265	15.8	141,622	25.7	27,144	24.0	114,478	26.2	19.2
200-500	10,362	6.0	288,418	19.9	68,829	23.2	219,589	19.1	23.9
500-1,000	1,317	0.8	686,585	6.0	198,763	8.5	487,822	5.4	29.0
More than 1,000	705	0.4	3,064,525	14.4	1,069,179	24.5	1,995,346	11.8	34.9
All	*****	*****	86,987	100.0	17,850	100.0	69,137	100.0	20.5
<b>Addendum</b>									
100-125	10,817	6.3	114,131	8.2	20,093	7.1	94,037	8.5	17.6
125-150	7,442	4.3	139,840	6.9	26,299	6.4	113,541	7.1	18.8
150-175	5,221	3.0	165,502	5.8	33,248	5.6	132,254	5.8	20.1
175-200	3,785	2.2	190,750	4.8	40,536	5.0	150,214	4.8	21.3

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

Number of AMT Taxpayers (millions). Baseline: 4.9

Proposal: 4.9

\* Less than 0.05

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T15-0227**  
**Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000**  
**Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	9.5
<b>10-20</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	6.4
<b>20-30</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	4.5	0.0	9.1
<b>30-40</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	5.5	0.0	12.2
<b>40-50</b>	0.0	*	0.0	0.7	0	0.0	0.0	6.7	0.0	14.4
<b>50-75</b>	0.0	0.1	0.0	1.1	0	0.0	0.0	16.3	0.0	17.2
<b>75-100</b>	0.0	0.4	0.0	14.4	8	0.0	0.0	13.6	0.0	20.5
<b>100-200</b>	0.0	1.0	0.0	20.2	11	0.0	0.0	21.9	0.0	22.6
<b>200-500</b>	0.0	6.1	-0.1	37.3	108	0.1	0.0	10.3	0.0	27.2
<b>500-1,000</b>	0.0	15.4	-0.1	13.3	342	0.2	0.0	3.5	0.1	32.5
<b>More than 1,000</b>	0.0	16.6	0.0	13.2	457	0.0	0.0	13.8	0.0	37.7
<b>All</b>	0.0	0.2	0.0	100.0	3	0.0	0.0	100.0	0.0	18.6
<b>Addendum</b>										
<b>100-125</b>	0.0	0.8	0.0	7.4	8	0.0	0.0	9.3	0.0	21.6
<b>125-150</b>	0.0	0.7	0.0	2.9	6	0.0	0.0	5.9	0.0	22.6
<b>150-175</b>	0.0	1.3	0.0	4.8	20	0.1	0.0	3.7	0.0	23.2
<b>175-200</b>	0.0	2.1	0.0	5.0	32	0.1	0.0	3.0	0.0	25.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2016 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Less than 10</b>	12,809	14.7	5,712	1.9	540	1.0	5,171	2.1	9.5
<b>10-20</b>	20,058	23.0	15,217	7.9	969	2.7	14,248	9.0	6.4
<b>20-30</b>	14,163	16.3	25,106	9.2	2,296	4.5	22,810	10.2	9.1
<b>30-40</b>	9,258	10.6	35,513	8.5	4,332	5.5	31,180	9.1	12.2
<b>40-50</b>	7,373	8.5	45,789	8.7	6,598	6.7	39,191	9.1	14.4
<b>50-75</b>	10,972	12.6	62,354	17.6	10,742	16.3	51,612	17.9	17.2
<b>75-100</b>	5,479	6.3	87,830	12.4	18,011	13.6	69,819	12.1	20.5
<b>100-200</b>	5,238	6.0	133,711	18.0	30,178	21.9	103,533	17.1	22.6
<b>200-500</b>	994	1.1	276,795	7.1	75,044	10.3	201,752	6.3	27.1
<b>500-1,000</b>	112	0.1	694,692	2.0	225,511	3.5	469,182	1.7	32.5
<b>More than 1,000</b>	83	0.1	3,180,472	6.8	1,199,815	13.8	1,980,656	5.2	37.7
<b>All</b>	87,180	#####	44,584	100.0	8,300	100.0	36,284	100.0	18.6
<b>Addendum</b>									
<b>100-125</b>	2,728	3.1	113,538	8.0	24,539	9.3	88,999	7.7	21.6
<b>125-150</b>	1,353	1.6	139,393	4.9	31,503	5.9	107,890	4.6	22.6
<b>150-175</b>	700	0.8	164,372	3.0	38,169	3.7	126,204	2.8	23.2
<b>175-200</b>	457	0.5	190,329	2.2	47,672	3.0	142,656	2.1	25.1

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

\* Less than 0.05

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T15-0227**  
**Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000**  
**Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	2.3
<b>10-20</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.0
<b>20-30</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.9
<b>30-40</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	3.8
<b>40-50</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.4	0.0	6.8
<b>50-75</b>	0.0	*	0.0	0.1	0	0.0	0.0	2.3	0.0	9.9
<b>75-100</b>	0.0	0.3	0.0	1.0	3	0.0	0.0	4.5	0.0	13.6
<b>100-200</b>	0.0	1.7	0.0	17.6	22	0.1	0.0	24.3	0.0	18.2
<b>200-500</b>	0.0	7.1	-0.1	42.9	115	0.2	0.0	28.8	0.0	23.5
<b>500-1,000</b>	0.0	20.9	-0.1	21.9	456	0.2	0.0	10.7	0.1	28.6
<b>More than 1,000</b>	0.0	26.9	0.0	16.6	679	0.1	0.0	28.5	0.0	34.5
<b>All</b>	0.0	2.4	0.0	100.0	42	0.1	0.0	100.0	0.0	22.3
<b>Addendum</b>										
<b>100-125</b>	0.0	0.8	0.0	2.8	10	0.1	0.0	5.8	0.0	15.8
<b>125-150</b>	0.0	1.5	0.0	4.4	20	0.1	0.0	6.4	0.0	17.7
<b>150-175</b>	0.0	2.2	0.0	4.5	26	0.1	0.0	6.3	0.0	19.4
<b>175-200</b>	0.0	3.5	0.0	5.8	45	0.1	0.0	5.8	0.0	20.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2016 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Less than 10</b>	825	1.4	4,990	0.0	114	0.0	4,876	0.1	2.3
<b>10-20</b>	1,902	3.3	15,969	0.3	165	0.0	15,804	0.4	1.0
<b>20-30</b>	2,948	5.1	25,619	0.8	240	0.0	25,379	1.0	0.9
<b>30-40</b>	2,940	5.0	35,768	1.1	1,349	0.2	34,419	1.4	3.8
<b>40-50</b>	2,904	5.0	45,927	1.4	3,103	0.4	42,825	1.7	6.8
<b>50-75</b>	7,878	13.5	63,892	5.3	6,302	2.3	57,590	6.1	9.9
<b>75-100</b>	7,909	13.6	89,407	7.4	12,142	4.5	77,266	8.2	13.6
<b>100-200</b>	19,667	33.7	144,686	29.7	26,349	24.3	118,336	31.3	18.2
<b>200-500</b>	9,043	15.5	290,037	27.4	68,069	28.8	221,968	27.0	23.5
<b>500-1,000</b>	1,165	2.0	685,362	8.3	195,801	10.7	489,561	7.7	28.6
<b>More than 1,000</b>	594	1.0	2,981,946	18.5	1,026,872	28.5	1,955,074	15.6	34.4
<b>All</b>	58,288	#####	164,217	100.0	36,643	100.0	127,573	100.0	22.3
<b>Addendum</b>									
<b>100-125</b>	6,866	11.8	114,485	8.2	18,106	5.8	96,380	8.9	15.8
<b>125-150</b>	5,469	9.4	140,013	8.0	24,815	6.4	115,198	8.5	17.7
<b>150-175</b>	4,179	7.2	165,610	7.2	32,133	6.3	133,477	7.5	19.4
<b>175-200</b>	3,153	5.4	190,822	6.3	39,297	5.8	151,526	6.4	20.6

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

\* Less than 0.05

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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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**Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.4	0.0	-10.2
<b>10-20</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	-4.1	0.0	-10.6
<b>20-30</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.9	0.0	-3.9
<b>30-40</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	3.3
<b>40-50</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	7.2
<b>50-75</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	19.7	0.0	11.1
<b>75-100</b>	0.0	0.9	0.0	22.5	11	0.1	0.0	19.0	0.0	15.3
<b>100-200</b>	0.0	2.6	0.0	29.9	16	0.1	0.0	33.2	0.0	19.6
<b>200-500</b>	0.0	6.3	-0.1	29.0	118	0.2	0.0	11.5	0.0	24.8
<b>500-1,000</b>	0.0	21.1	-0.1	8.4	368	0.2	0.0	3.3	0.1	30.1
<b>More than 1,000</b>	0.0	29.3	0.0	10.1	750	0.1	0.0	12.4	0.0	34.8
<b>All</b>	0.0	0.4	0.0	100.0	4	0.1	0.0	100.0	0.0	11.9
<b>Addendum</b>										
<b>100-125</b>	0.0	1.6	0.0	11.0	11	0.1	0.0	13.9	0.0	18.1
<b>125-150</b>	0.0	3.1	0.0	6.7	13	0.1	0.0	9.5	0.0	19.9
<b>150-175</b>	0.0	5.3	0.0	9.7	38	0.1	0.0	6.3	0.0	21.7
<b>175-200</b>	0.0	3.1	0.0	2.6	21	0.1	0.0	3.5	0.0	22.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2016 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Less than 10</b>	944	3.9	6,963	0.5	-711	-0.4	7,674	0.6	-10.2
<b>10-20</b>	3,778	15.7	15,795	4.6	-1,678	-4.1	17,473	5.8	-10.6
<b>20-30</b>	4,451	18.4	25,430	8.8	-987	-2.9	26,418	10.4	-3.9
<b>30-40</b>	3,522	14.6	35,527	9.7	1,186	2.7	34,341	10.7	3.3
<b>40-50</b>	2,630	10.9	45,596	9.3	3,267	5.6	42,329	9.8	7.2
<b>50-75</b>	4,350	18.0	62,486	21.1	6,946	19.8	55,540	21.3	11.1
<b>75-100</b>	2,175	9.0	87,734	14.8	13,372	19.0	74,362	14.3	15.2
<b>100-200</b>	1,950	8.1	132,812	20.1	26,039	33.2	106,773	18.4	19.6
<b>200-500</b>	258	1.1	274,070	5.5	67,757	11.4	206,312	4.7	24.7
<b>500-1,000</b>	24	0.1	693,999	1.3	208,710	3.3	485,289	1.0	30.1
<b>More than 1,000</b>	14	0.1	3,840,137	4.2	1,336,877	12.4	2,503,259	3.1	34.8
<b>All</b>	24,145	#####	53,332	100.0	6,334	100.0	46,998	100.0	11.9
<b>Addendum</b>									
<b>100-125</b>	1,033	4.3	113,608	9.1	20,549	13.9	93,059	8.5	18.1
<b>125-150</b>	523	2.2	139,299	5.7	27,767	9.5	111,532	5.1	19.9
<b>150-175</b>	266	1.1	167,150	3.5	36,206	6.3	130,944	3.1	21.7
<b>175-200</b>	128	0.5	189,759	1.9	42,110	3.5	147,649	1.7	22.2

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

\* Less than 0.05

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T15-0227

Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000

Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit

Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>

Detail Table - Tax Units with Children

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-11.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.7	0.0	-11.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-4.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	2.0
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	6.3
50-75	0.0	0.0	0.0	0.0	0	0.0	0.0	3.6	0.0	10.6
75-100	0.0	0.7	0.0	2.2	8	0.1	0.0	5.1	0.0	14.2
100-200	0.0	2.4	0.0	18.0	28	0.1	0.0	23.6	0.0	18.2
200-500	0.0	8.8	-0.1	44.0	149	0.2	0.0	28.3	0.1	23.7
500-1,000	0.0	24.2	-0.1	20.6	519	0.3	0.0	10.9	0.1	28.9
More than 1,000	0.0	31.3	0.0	15.3	766	0.1	0.0	28.6	0.0	34.6
All	0.0	2.1	0.0	100.0	36	0.1	0.0	100.0	0.0	20.8
Addendum										
100-125	0.0	1.3	0.0	3.4	15	0.1	0.0	5.9	0.0	16.1
125-150	0.0	1.9	0.0	4.7	26	0.1	0.0	6.2	0.0	17.5
150-175	0.0	3.3	0.0	4.3	32	0.1	0.0	6.1	0.0	19.4
175-200	0.0	4.5	0.0	5.5	54	0.1	0.0	5.5	0.0	20.4

Baseline Distribution of Income and Federal Taxes  
by Expanded Cash Income Level, 2016 <sup>1</sup>

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,246	2.5	6,635	0.1	-782	-0.1	7,417	0.2	-11.8
10-20	4,675	9.3	15,763	1.2	-1,818	-0.7	17,580	1.7	-11.5
20-30	5,672	11.3	25,471	2.3	-1,218	-0.5	26,689	3.1	-4.8
30-40	4,492	8.9	35,564	2.6	706	0.2	34,858	3.2	2.0
40-50	3,628	7.2	45,644	2.7	2,863	0.8	42,781	3.2	6.3
50-75	7,050	14.0	63,024	7.1	6,663	3.6	56,361	8.1	10.6
75-100	5,198	10.3	89,122	7.4	12,669	5.1	76,453	8.1	14.2
100-200	11,657	23.2	144,292	27.0	26,221	23.6	118,071	27.9	18.2
200-500	5,301	10.5	293,122	25.0	69,192	28.3	223,930	24.1	23.6
500-1,000	712	1.4	683,288	7.8	197,221	10.8	486,068	7.0	28.9
More than 1,000	357	0.7	2,994,529	17.2	1,035,221	28.6	1,959,308	14.2	34.6
All	50,272	#####	123,886	100.0	25,761	100.0	98,125	100.0	20.8
Addendum									
100-125	4,112	8.2	114,421	7.6	18,455	5.9	95,965	8.0	16.1
125-150	3,266	6.5	139,695	7.3	24,468	6.2	115,227	7.6	17.5
150-175	2,443	4.9	165,757	6.5	32,084	6.1	133,673	6.6	19.4
175-200	1,835	3.7	190,832	5.6	38,936	5.5	151,896	5.7	20.4

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

\* Less than 0.05

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T15-0227

Reduce the the Maximum Amount of Debt Eligible for the 15 Percent Non-refundable Credit from \$1,000,000 to \$500,000

Baseline: Replace the Mortgage Interest Deduction with a 15 Percent Non-refundable Credit

Distribution of Federal Tax Change by Expanded Cash Income Level, 2016 <sup>1</sup>

Detail Table - Elderly Tax Units

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	2.4
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.4	0.0	1.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	2.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.2	0.0	4.4
40-50	0.0	*	0.0	0.6	1	0.0	0.0	1.7	0.0	6.0
50-75	0.0	*	0.0	0.6	0	0.0	0.0	5.6	0.0	8.5
75-100	0.0	0.1	0.0	1.1	1	0.0	0.0	7.5	0.0	12.3
100-200	0.0	0.7	0.0	13.3	8	0.0	0.0	21.6	0.0	17.0
200-500	0.0	4.0	0.0	33.1	68	0.1	0.0	18.5	0.0	23.6
500-1,000	0.0	13.7	-0.1	23.3	335	0.2	0.0	8.2	0.1	29.4
More than 1,000	0.0	20.2	0.0	27.9	555	0.1	0.0	34.1	0.0	35.9
All	0.0	0.4	0.0	100.0	8	0.1	0.0	100.0	0.0	17.8
Addendum										
100-125	0.0	0.4	0.0	2.7	4	0.0	0.0	6.8	0.0	14.6
125-150	0.0	1.0	0.0	4.6	10	0.0	0.0	6.0	0.0	17.2
150-175	0.0	0.8	0.0	2.9	10	0.0	0.0	4.8	0.0	18.3
175-200	0.0	1.1	0.0	3.1	17	0.0	0.0	4.0	0.0	20.3

Baseline Distribution of Income and Federal Taxes  
by Expanded Cash Income Level, 2016 <sup>1</sup>

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,889	4.6	5,514	0.3	131	0.0	5,383	0.4	2.4
10-20	7,909	19.2	15,610	3.9	264	0.4	15,346	4.7	1.7
20-30	6,516	15.8	25,150	5.2	713	0.8	24,437	6.2	2.8
30-40	4,256	10.3	35,561	4.8	1,556	1.2	34,005	5.6	4.4
40-50	3,361	8.2	45,754	4.9	2,738	1.7	43,016	5.6	6.0
50-75	5,868	14.3	62,781	11.7	5,329	5.6	57,452	13.1	8.5
75-100	3,871	9.4	88,361	10.9	10,829	7.5	77,532	11.6	12.3
100-200	5,135	12.5	138,547	22.6	23,483	21.6	115,064	22.9	17.0
200-500	1,539	3.7	285,155	14.0	67,201	18.5	217,954	13.0	23.6
500-1,000	220	0.5	710,712	5.0	208,376	8.2	502,337	4.3	29.3
More than 1,000	159	0.4	3,339,288	16.9	1,197,310	34.1	2,141,978	13.2	35.9
All	41,164	#####	76,347	100.0	13,575	100.0	62,772	100.0	17.8
Addendum									
100-125	2,270	5.5	114,026	8.2	16,671	6.8	97,355	8.6	14.6
125-150	1,390	3.4	139,736	6.2	24,000	6.0	115,736	6.2	17.2
150-175	893	2.2	164,995	4.7	30,119	4.8	134,877	4.7	18.3
175-200	582	1.4	190,799	3.5	38,641	4.0	152,158	3.4	20.3

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

\* Less than 0.05

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is a 15 percent nonrefundable credit on the first \$1,000,000 of debt. Proposal would reduce the maximum amount of debt eligible for the 15 percent non-refundable credit to \$500,000 of debt on a primary residence, second home, and/or a home equity loan. 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. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>(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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.