

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T16-0036
Senator Cruz's Tax Reform Plan with EITC Enhancement
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2025 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	48,631	26.3	0.3	0.2	-55	-0.3	4.2
Second Quintile	41,383	22.4	1.2	1.8	-518	-1.1	7.6
Middle Quintile	37,251	20.1	2.4	5.5	-1,767	-2.1	12.2
Fourth Quintile	30,884	16.7	3.6	11.1	-4,264	-3.0	14.4
Top Quintile	25,428	13.7	11.3	81.4	-38,165	-8.3	18.0
All	185,081	100.0	6.8	100.0	-6,438	-5.4	15.0
Addendum							
80-90	13,124	7.1	4.8	9.5	-8,629	-3.8	16.4
90-95	6,369	3.4	6.0	7.8	-14,536	-4.7	17.1
95-99	4,742	2.6	9.4	15.1	-37,825	-7.0	18.1
Top 1 Percent	1,192	0.6	21.2	49.1	-490,800	-14.1	19.5
Top 0.1 Percent	123	0.1	23.0	23.1	-2,235,857	-15.1	19.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-4).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 0

(1) Calendar year. Baseline is current law (including provisions in the Protecting Americans from Tax Hikes Act of 2015 and the Consolidated Appropriations Act of 2016). Proposal includes individual, payroll, corporate, value-added, and estate tax provisions in Senator Cruz's tax reform proposal. For details, see TPC's "An Analysis of Ted Cruz's Tax Plan." The proposal also includes an enhancement to the earned income tax credit (EITC) that increases all of the phase-in and phase-out rates by 20 percent. For a description of current law, 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) 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% \$26,101; 40% \$51,178; 60% \$87,777; 80% \$148,458; 90% \$217,212; 95% \$289,677; 99% \$846,843; 99.9% \$5,205,348.

(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), value-added tax, estate tax, and excise taxes.

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