

**Table T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2016 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	6.6	93.4	0.4	15.3	50	10.1	0.8	0.9	3.5	3.9
Second Quintile	11.1	88.9	0.3	22.1	90	3.1	3.7	3.8	8.2	8.5
Middle Quintile	13.4	86.6	0.2	23.9	110	1.3	9.6	9.7	13.4	13.6
Fourth Quintile	12.3	87.7	0.2	24.2	130	0.7	17.9	17.9	17.3	17.4
Top Quintile	7.3	92.7	0.0	14.5	90	0.1	67.9	67.6	25.7	25.8
All	9.9	90.1	0.1	100.0	90	0.5	100.0	100.0	19.8	19.9
<b>Addendum</b>										
80-90	12.5	87.5	0.1	13.1	160	0.5	14.1	14.1	20.0	20.1
90-95	3.0	97.0	0.0	1.3	30	0.1	10.5	10.5	21.9	21.9
95-99	0.3	99.7	0.0	0.1	*	0.0	15.3	15.2	25.2	25.2
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	27.9	27.8	33.0	33.0
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	13.9	13.8	34.2	34.2

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

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	48,030	27.7	13,910	4.5	490	0.8	13,420	5.4	3.5	
Second Quintile	38,040	21.9	35,050	8.9	2,880	3.7	32,160	10.2	8.2	
Middle Quintile	33,680	19.4	63,040	14.1	8,460	9.6	54,580	15.3	13.4	
Fourth Quintile	28,580	16.5	107,980	20.5	18,640	17.9	89,340	21.2	17.3	
Top Quintile	23,850	13.8	328,790	52.2	84,590	67.9	244,190	48.3	25.7	
All	173,400	100.0	86,670	100.0	17,150	100.0	69,510	100.0	19.8	
<b>Addendum</b>										
80-90	12,350	7.1	169,640	13.9	33,990	14.1	135,650	13.9	20.0	
90-95	5,880	3.4	242,220	9.5	53,100	10.5	189,120	9.2	21.9	
95-99	4,480	2.6	403,150	12.0	101,550	15.3	301,600	11.2	25.2	
Top 1 Percent	1,140	0.7	2,214,130	16.7	730,990	27.9	1,483,140	14.0	33.0	
Top 0.1 Percent	120	0.1	10,399,270	8.0	3,557,180	13.9	6,842,080	6.6	34.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

Number of AMT Taxpayers (millions). Baseline: 4.7 Proposal: 4.7

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. 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) 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 2016 dollars): 20% \$24,400; 40% \$47,700; 60% \$82,300; 80% \$142,200; 90% \$206,800; 95% \$291,700; 99% \$693,500; 99.9% \$3,646,300.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	6.3	93.7	0.4	12.4	50	405.6	0.0	0.1	0.1	0.5
Second Quintile	10.5	89.5	0.3	19.6	80	4.3	2.4	2.5	6.4	6.7
Middle Quintile	14.0	86.0	0.3	29.7	130	2.0	7.8	7.9	12.2	12.5
Fourth Quintile	14.6	85.4	0.2	28.8	140	0.9	17.0	17.0	16.6	16.7
Top Quintile	4.6	95.4	0.0	9.4	50	0.1	72.6	72.3	25.4	25.4
All	9.9	90.1	0.1	100.0	90	0.5	100.0	100.0	19.8	19.9
<b>Addendum</b>										
80-90	8.2	91.8	0.1	8.7	90	0.3	15.3	15.2	19.9	20.0
90-95	1.5	98.5	0.0	0.6	10	0.0	11.8	11.7	22.0	22.0
95-99	0.2	99.8	0.0	0.1	*	0.0	16.8	16.7	24.7	24.7
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	28.8	28.7	32.9	32.9
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	14.4	14.4	34.2	34.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	38,760	22.4	12,970	3.4	10	0.0	12,960	4.2	0.1	
Second Quintile	35,900	20.7	30,900	7.4	1,970	2.4	28,920	8.6	6.4	
Middle Quintile	34,380	19.8	55,220	12.6	6,750	7.8	48,470	13.8	12.2	
Fourth Quintile	32,470	18.7	93,650	20.2	15,550	17.0	78,110	21.0	16.6	
Top Quintile	30,680	17.7	277,080	56.6	70,410	72.6	206,680	52.6	25.4	
All	173,400	100.0	86,670	100.0	17,150	100.0	69,510	100.0	19.8	
<b>Addendum</b>										
80-90	15,770	9.1	144,700	15.2	28,800	15.3	115,900	15.2	19.9	
90-95	7,730	4.5	205,880	10.6	45,280	11.8	160,600	10.3	22.0	
95-99	5,840	3.4	345,310	13.4	85,290	16.8	260,020	12.6	24.7	
Top 1 Percent	1,330	0.8	1,960,070	17.4	644,130	28.8	1,315,940	14.5	32.9	
Top 0.1 Percent	140	0.1	9,240,520	8.4	3,161,140	14.4	6,079,380	6.9	34.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

Number of AMT Taxpayers (millions). Baseline: 4.7 Proposal: 4.7

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2016 dollars): 20% \$17,000; 40% \$31,500; 60% \$52,700; 80% \$87,100; 90% \$124,400; 95% \$173,200; 99% \$398,800; 99.9% \$2,084,600.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.9	94.1	0.5	20.7	50	8.4	2.0	2.1	5.3	5.7
Second Quintile	10.1	89.9	0.3	27.9	80	3.9	5.9	6.0	8.1	8.4
Middle Quintile	13.5	86.5	0.3	32.5	110	1.9	13.7	13.8	13.4	13.7
Fourth Quintile	13.3	86.7	0.1	16.6	70	0.6	22.3	22.2	17.8	17.9
Top Quintile	2.4	97.6	0.0	2.2	10	0.0	56.0	55.5	25.2	25.2
All	9.1	90.9	0.2	100.0	70	0.8	100.0	100.0	17.8	18.0
<b>Addendum</b>										
80-90	4.0	96.0	0.0	2.1	20	0.1	16.7	16.6	20.9	21.0
90-95	0.1	99.9	0.0	0.1	*	0.0	10.8	10.7	22.7	22.7
95-99	0.2	99.8	0.0	0.0	*	0.0	11.4	11.3	24.6	24.6
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	17.1	16.9	35.1	35.1
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	9.2	9.2	35.8	35.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	26,420	29.9	10,210	6.8	540	2.0	9,670	7.8	5.3	
Second Quintile	21,360	24.2	24,240	13.0	1,960	5.9	22,280	14.5	8.1	
Middle Quintile	17,360	19.6	41,910	18.2	5,620	13.7	36,290	19.2	13.4	
Fourth Quintile	13,190	14.9	67,670	22.3	12,030	22.3	55,630	22.4	17.8	
Top Quintile	9,440	10.7	167,830	39.7	42,250	56.0	125,570	36.1	25.2	
All	88,420	100.0	45,190	100.0	8,060	100.0	37,130	100.0	17.8	
<b>Addendum</b>										
80-90	5,470	6.2	104,100	14.3	21,790	16.7	82,310	13.7	20.9	
90-95	2,330	2.6	145,150	8.5	32,950	10.8	112,200	8.0	22.7	
95-99	1,410	1.6	234,040	8.3	57,610	11.4	176,430	7.6	24.6	
Top 1 Percent	230	0.3	1,499,740	8.7	526,360	17.1	973,380	6.9	35.1	
Top 0.1 Percent	30	0.0	6,560,440	4.6	2,346,470	9.2	4,213,970	3.6	35.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. For a description of TPC's current law baseline, see

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(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

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(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2016 dollars): 20% \$17,000; 40% \$31,500; 60% \$52,700; 80% \$87,100; 90% \$124,400; 95% \$173,200; 99% \$398,800; 99.9% \$2,084,600.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	9.6	90.4	0.4	5.2	80	-24.3	-0.1	-0.1	-1.6	-1.2
Second Quintile	13.4	86.6	0.3	10.3	110	4.3	0.9	0.9	5.9	6.1
Middle Quintile	15.7	84.3	0.3	25.0	170	2.0	4.5	4.6	11.3	11.5
Fourth Quintile	17.1	82.9	0.2	41.7	200	1.1	14.2	14.3	15.9	16.1
Top Quintile	6.1	93.9	0.0	17.7	70	0.1	80.4	80.2	25.4	25.4
All	12.0	88.0	0.1	100.0	130	0.4	100.0	100.0	21.6	21.7
<b>Addendum</b>										
80-90	11.5	88.5	0.1	16.4	130	0.4	14.9	14.9	19.4	19.5
90-95	2.3	97.7	0.0	1.2	20	0.0	12.4	12.4	21.8	21.8
95-99	0.2	99.8	0.0	0.1	*	0.0	19.5	19.5	24.7	24.7
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	33.6	33.5	32.5	32.5
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	16.2	16.2	33.9	33.9

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,000	8.5	19,650	1.0	-320	-0.1	19,970	1.3	-1.6	
Second Quintile	6,870	11.7	43,450	3.1	2,550	0.9	40,900	3.8	5.9	
Middle Quintile	11,150	19.0	72,790	8.6	8,220	4.5	64,570	9.7	11.3	
Fourth Quintile	15,860	27.0	115,330	19.3	18,310	14.2	97,020	20.7	15.9	
Top Quintile	19,420	33.1	333,670	68.3	84,820	80.4	248,840	64.9	25.4	
All	58,760	100.0	161,550	100.0	34,860	100.0	126,690	100.0	21.6	
<b>Addendum</b>										
80-90	9,240	15.7	169,920	16.5	32,940	14.9	136,980	17.0	19.4	
90-95	4,940	8.4	236,610	12.3	51,510	12.4	185,100	12.3	21.8	
95-99	4,200	7.2	385,470	17.1	95,130	19.5	290,340	16.4	24.7	
Top 1 Percent	1,040	1.8	2,035,790	22.4	660,920	33.6	1,374,870	19.3	32.5	
Top 0.1 Percent	100	0.2	9,925,560	10.3	3,363,530	16.2	6,562,030	8.7	33.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. For a description of TPC's current law baseline, see

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(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.6	94.4	0.2	14.7	50	-2.6	-8.3	-8.0	-9.6	-9.4
Second Quintile	9.7	90.3	0.2	28.9	90	6.7	6.3	6.7	3.4	3.7
Middle Quintile	13.8	86.2	0.3	38.2	170	2.3	24.6	24.8	11.5	11.7
Fourth Quintile	9.9	90.1	0.2	17.9	140	0.9	30.7	30.5	17.1	17.3
Top Quintile	0.6	99.4	0.0	0.2	*	0.0	46.7	46.0	24.8	24.8
All	8.9	91.1	0.2	100.0	100	1.5	100.0	100.0	11.7	11.9
<b>Addendum</b>										
80-90	1.0	99.0	0.0	0.2	10	0.0	15.6	15.4	21.1	21.1
90-95	0.1	99.9	0.0	0.0	*	0.0	9.5	9.4	22.2	22.2
95-99	0.0	100.0	0.0	0.0	0	0.0	7.4	7.3	25.4	25.4
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	14.2	14.0	33.2	33.2
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	8.5	8.4	34.8	34.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,990	30.0	18,700	10.2	-1,800	-8.3	20,500	12.6	-9.6	
Second Quintile	7,150	30.6	38,930	21.6	1,340	6.3	37,600	23.7	3.4	
Middle Quintile	5,130	22.0	63,180	25.2	7,240	24.6	55,950	25.2	11.5	
Fourth Quintile	2,760	11.8	97,930	21.0	16,780	30.7	81,150	19.7	17.1	
Top Quintile	1,270	5.4	225,100	22.1	55,720	46.7	169,380	18.8	24.8	
All	23,340	100.0	55,170	100.0	6,470	100.0	48,710	100.0	11.7	
<b>Addendum</b>										
80-90	770	3.3	144,230	8.7	30,490	15.6	113,740	7.7	21.1	
90-95	330	1.4	197,600	5.0	43,760	9.5	153,840	4.4	22.2	
95-99	140	0.6	322,190	3.4	81,810	7.4	240,390	2.9	25.4	
Top 1 Percent	30	0.1	2,329,400	5.0	772,760	14.2	1,556,640	3.8	33.2	
Top 0.1 Percent	*	0.0	12,112,490	2.9	4,219,670	8.5	7,892,820	2.1	34.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2016 dollars): 20% \$17,000; 40% \$31,500; 60% \$52,700; 80% \$87,100; 90% \$124,400; 95% \$173,200; 99% \$398,800; 99.9% \$2,084,600.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	7.8	92.2	0.3	7.7	60	-3.6	-1.4	-1.4	-8.9	-8.6
Second Quintile	12.9	87.2	0.3	13.9	110	6.4	1.4	1.5	4.0	4.3
Middle Quintile	19.4	80.6	0.3	27.9	230	2.4	7.7	7.8	12.4	12.7
Fourth Quintile	23.8	76.2	0.3	36.8	310	1.4	17.1	17.2	17.2	17.4
Top Quintile	8.6	91.5	0.0	13.6	120	0.1	75.1	74.7	26.3	26.4
All	14.5	85.5	0.2	100.0	170	0.7	100.0	100.0	20.1	20.3
<b>Addendum</b>										
80-90	15.9	84.1	0.2	12.7	230	0.6	14.7	14.7	20.4	20.5
90-95	2.2	97.8	0.0	0.7	30	0.0	11.5	11.4	22.6	22.6
95-99	0.4	99.6	0.0	0.1	10	0.0	17.6	17.5	25.9	25.9
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	31.3	31.0	33.2	33.2
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	15.0	14.9	34.2	34.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	9,930	19.9	19,870	3.2	-1,770	-1.4	21,640	4.4	-8.9	
Second Quintile	10,260	20.6	43,260	7.2	1,750	1.4	41,510	8.6	4.0	
Middle Quintile	10,260	20.6	75,460	12.5	9,320	7.7	66,140	13.8	12.4	
Fourth Quintile	9,750	19.6	126,790	20.0	21,760	17.1	105,030	20.8	17.2	
Top Quintile	9,350	18.8	379,540	57.4	99,880	75.1	279,660	53.0	26.3	
All	49,800	100.0	124,060	100.0	24,980	100.0	99,080	100.0	20.1	
<b>Addendum</b>										
80-90	4,660	9.4	192,550	14.5	39,200	14.7	153,350	14.5	20.4	
90-95	2,330	4.7	272,030	10.3	61,450	11.5	210,580	9.9	22.6	
95-99	1,880	3.8	450,700	13.7	116,610	17.6	334,090	12.7	25.9	
Top 1 Percent	480	1.0	2,439,220	18.9	810,370	31.3	1,628,850	15.8	33.2	
Top 0.1 Percent	50	0.1	11,644,640	8.9	3,977,920	15.0	7,666,720	7.3	34.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

\* Non-zero value rounded to zero; \*\* Insufficient data

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

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2016 dollars): 20% \$17,000; 40% \$31,500; 60% \$52,700; 80% \$87,100; 90% \$124,400; 95% \$173,200; 99% \$398,800; 99.9% \$2,084,600.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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 T16-0174**  
**Tax Benefit of Education credits and Student Loan Interest Deduction**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Benefit as a Percent of After-Tax Income <sup>5</sup>	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.4	99.6	0.0	6.3	*	1.6	0.3	0.3	1.4	1.4
Second Quintile	0.5	99.5	0.0	12.9	*	0.6	1.4	1.4	2.5	2.5
Middle Quintile	0.8	99.3	0.0	18.2	10	0.3	4.6	4.6	5.6	5.6
Fourth Quintile	2.4	97.6	0.0	43.4	20	0.2	13.2	13.3	11.1	11.2
Top Quintile	1.8	98.2	0.0	19.2	10	0.0	80.1	80.1	25.0	25.0
All	1.1	98.9	0.0	100.0	10	0.1	100.0	100.0	16.9	16.9
<b>Addendum</b>										
80-90	3.1	96.9	0.0	16.8	20	0.1	13.4	13.4	16.5	16.5
90-95	0.6	99.4	0.0	2.3	10	0.0	9.7	9.7	19.4	19.4
95-99	*	**	0.0	0.0	0	0.0	15.0	15.0	23.4	23.4
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	42.0	42.0	33.5	33.5
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	24.3	24.3	34.4	34.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2016 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,720	18.6	12,510	3.1	170	0.3	12,340	3.7	1.4	
Second Quintile	10,910	26.3	26,130	9.1	660	1.4	25,470	10.7	2.5	
Middle Quintile	8,900	21.5	49,070	14.0	2,740	4.6	46,330	15.9	5.6	
Fourth Quintile	7,420	17.9	84,300	20.0	9,380	13.2	74,920	21.4	11.1	
Top Quintile	6,140	14.8	275,160	54.0	68,720	80.1	206,440	48.8	25.0	
All	41,510	100.0	75,260	100.0	12,680	100.0	62,580	100.0	16.9	
<b>Addendum</b>										
80-90	3,300	8.0	129,760	13.7	21,430	13.4	108,340	13.8	16.5	
90-95	1,420	3.4	184,850	8.4	35,900	9.7	148,950	8.1	19.4	
95-99	1,100	2.7	306,730	10.8	71,620	15.0	235,110	10.0	23.4	
Top 1 Percent	320	0.8	2,082,080	21.1	697,470	42.0	1,384,610	16.9	33.5	
Top 0.1 Percent	40	0.1	8,715,180	11.9	3,001,070	24.3	5,714,110	9.4	34.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

\* Non-zero value rounded to zero; \*\* Insufficient data

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

(1) Calendar year. Table shows the tax benefit under current law of the American Opportunity, Lifetime Learning tax credits and student loan interest deduction. 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2016 dollars): 20% \$17,000; 40% \$31,500; 60% \$52,700; 80% \$87,100; 90% \$124,400; 95% \$173,200; 99% \$398,800; 99.9% \$2,084,600.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) 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.

(6) 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.