

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

Table T16-0298
Repeal Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2017 ¹
Summary Table

| Expanded Cash Income Percentile ^{2,3} | Tax Units with Tax Increase or Cut ⁴ | | | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change (\$) | Average Federal Tax Rate ⁶ | |
|---|---|-------------|-------------------|---------------------|---|---|---------------------------------------|---------------------------------------|-----------------------|
| | 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 | | | | | |
| Lowest Quintile | 0.2 | -40 | 0.0 | 0 | 0.0 | 0.1 | 0 | 0.0 | 3.7 |
| Second Quintile | 2.3 | -90 | 0.0 | 0 | 0.0 | 2.8 | * | 0.0 | 8.4 |
| Middle Quintile | 7.2 | -180 | 0.0 | 0 | 0.0 | 15.1 | -10 | 0.0 | 13.6 |
| Fourth Quintile | 11.4 | -340 | 0.0 | 0 | 0.0 | 37.9 | -40 | 0.0 | 17.3 |
| Top Quintile | 6.5 | -830 | 0.0 | 0 | 0.0 | 44.1 | -50 | 0.0 | 26.1 |
| All | 4.7 | -360 | 0.0 | 0 | 0.0 | 100.0 | -20 | 0.0 | 20.0 |
| Addendum | | | | | | | | | |
| 80-90 | 8.8 | -660 | 0.0 | 0 | 0.0 | 24.5 | -60 | 0.0 | 20.2 |
| 90-95 | 5.4 | -980 | 0.0 | 0 | 0.0 | 10.8 | -50 | 0.0 | 22.1 |
| 95-99 | 2.8 | -1,650 | 0.0 | 0 | 0.0 | 7.3 | -50 | 0.0 | 25.4 |
| Top 1 Percent | 0.6 | -6,290 | 0.0 | 0 | 0.0 | 1.6 | -40 | 0.0 | 33.4 |
| Top 0.1 Percent | * | ** | 0.0 | 0 | 0.0 | 0.0 | -10 | 0.0 | 34.5 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of 7.5 percent of AGI. For a description of TPC's current law baseline,

<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% \$24,800; 40% \$48,400; 60% \$83,300; 80% \$143,100; 90% \$208,800; 95% \$292,100; 99% \$699,000; 99.9% \$3,749,600.

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

(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 T16-0298
Repeat Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2017 ¹
Detail Table

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|--|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|---------|------------------------|--------------------|---------------------------------------|--------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (%) Points) | Under the Proposal | Change (%) Points) | Under the Proposal |
| Lowest Quintile | 0.2 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 0.8 | 0.0 | 3.7 |
| Second Quintile | 2.3 | 0.0 | 0.0 | 2.8 | * | -0.1 | 0.0 | 3.7 | 0.0 | 8.4 |
| Middle Quintile | 7.2 | 0.0 | 0.0 | 15.1 | -10 | -0.2 | 0.0 | 9.6 | 0.0 | 13.6 |
| Fourth Quintile | 11.4 | 0.0 | 0.0 | 37.9 | -40 | -0.2 | 0.0 | 17.6 | 0.0 | 17.3 |
| Top Quintile | 6.5 | 0.0 | 0.0 | 44.1 | -50 | -0.1 | 0.0 | 68.1 | 0.0 | 26.1 |
| All | 4.7 | 0.0 | 0.0 | 100.0 | -20 | -0.1 | 0.0 | 100.0 | 0.0 | 20.0 |
| Addendum | | | | | | | | | | |
| 80-90 | 8.8 | 0.0 | 0.0 | 24.5 | -60 | -0.2 | 0.0 | 13.9 | 0.0 | 20.2 |
| 90-95 | 5.4 | 0.0 | 0.0 | 10.8 | -50 | -0.1 | 0.0 | 10.4 | 0.0 | 22.1 |
| 95-99 | 2.8 | 0.0 | 0.0 | 7.3 | -50 | 0.0 | 0.0 | 15.1 | 0.0 | 25.4 |
| Top 1 Percent | 0.6 | 0.0 | 0.0 | 1.6 | -40 | 0.0 | 0.0 | 28.7 | 0.0 | 33.4 |
| Top 0.1 Percent | * | 0.0 | 0.0 | 0.0 | -10 | 0.0 | 0.0 | 14.6 | 0.0 | 34.5 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2017 ¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|--|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 48,340 | 27.7 | 14,430 | 4.4 | 540 | 0.8 | 13,900 | 5.4 | 3.7 | |
| Second Quintile | 38,630 | 22.1 | 36,300 | 8.9 | 3,040 | 3.7 | 33,260 | 10.2 | 8.4 | |
| Middle Quintile | 33,890 | 19.4 | 65,510 | 14.1 | 8,920 | 9.6 | 56,600 | 15.3 | 13.6 | |
| Fourth Quintile | 28,660 | 16.4 | 111,590 | 20.4 | 19,360 | 17.6 | 92,230 | 21.1 | 17.4 | |
| Top Quintile | 23,960 | 13.7 | 342,890 | 52.3 | 89,490 | 68.1 | 253,400 | 48.4 | 26.1 | |
| All | ##### | 100.0 | 89,920 | 100.0 | 18,030 | 100.0 | 71,880 | 100.0 | 20.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 12,390 | 7.1 | 174,830 | 13.8 | 35,340 | 13.9 | 139,490 | 13.8 | 20.2 | |
| 90-95 | 5,910 | 3.4 | 249,700 | 9.4 | 55,330 | 10.4 | 194,370 | 9.1 | 22.2 | |
| 95-99 | 4,530 | 2.6 | 413,100 | 11.9 | 105,070 | 15.1 | 308,030 | 11.1 | 25.4 | |
| Top 1 Percent | 1,130 | 0.7 | 2,385,290 | 17.2 | 797,230 | 28.7 | 1,588,060 | 14.3 | 33.4 | |
| Top 0.1 Percent | 120 | 0.1 | 11,429,560 | 8.5 | 3,941,790 | 14.6 | 7,487,780 | 7.0 | 34.5 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of

7.5 percent of AGI. For a description of TPC's current law baseline,
<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% \$24,800; 40% \$48,400; 60% \$83,300; 80% \$143,100; 90% \$208,800; 95% \$292,100; 99% \$699,000; 99.9% \$3,749,600.

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

(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 T16-0298
Repeal Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹
Detail Table

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|--|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|---------|------------------------|--------------------|---------------------------------------|--------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (% Points) | Under the Proposal | Change (% Points) | Under the Proposal |
| Lowest Quintile | 0.1 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.5 |
| Second Quintile | 1.3 | 0.0 | 0.0 | 1.3 | * | -0.1 | 0.0 | 2.5 | 0.0 | 6.7 |
| Middle Quintile | 6.0 | 0.0 | 0.0 | 10.4 | -10 | -0.1 | 0.0 | 7.7 | 0.0 | 12.3 |
| Fourth Quintile | 10.1 | 0.0 | 0.0 | 32.6 | -30 | -0.2 | 0.0 | 16.8 | 0.0 | 16.7 |
| Top Quintile | 7.8 | 0.0 | 0.0 | 55.6 | -50 | -0.1 | 0.0 | 72.7 | 0.0 | 25.7 |
| All | 4.7 | 0.0 | 0.0 | 100.0 | -20 | -0.1 | 0.0 | 100.0 | 0.0 | 20.0 |
| Addendum | | | | | | | | | | |
| 80-90 | 9.8 | 0.0 | 0.0 | 28.3 | -50 | -0.2 | 0.0 | 15.0 | 0.0 | 20.0 |
| 90-95 | 7.7 | 0.0 | 0.0 | 14.2 | -50 | -0.1 | 0.0 | 11.6 | 0.0 | 22.2 |
| 95-99 | 4.2 | 0.0 | 0.0 | 10.9 | -50 | -0.1 | 0.0 | 16.5 | 0.0 | 24.9 |
| Top 1 Percent | 1.1 | 0.0 | 0.0 | 2.2 | -50 | 0.0 | 0.0 | 29.6 | 0.0 | 33.3 |
| Top 0.1 Percent | 0.1 | 0.0 | 0.0 | 0.1 | -10 | 0.0 | 0.0 | 15.2 | 0.0 | 34.5 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|--|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 39,090 | 22.4 | 13,480 | 3.4 | 70 | 0.1 | 13,410 | 4.2 | 0.5 | |
| Second Quintile | 36,460 | 20.9 | 32,070 | 7.4 | 2,140 | 2.5 | 29,930 | 8.7 | 6.7 | |
| Middle Quintile | 34,410 | 19.7 | 57,450 | 12.6 | 7,090 | 7.7 | 50,360 | 13.8 | 12.3 | |
| Fourth Quintile | 32,700 | 18.7 | 96,770 | 20.2 | 16,190 | 16.8 | 80,590 | 21.0 | 16.7 | |
| Top Quintile | 30,800 | 17.6 | 288,820 | 56.6 | 74,370 | 72.7 | 214,440 | 52.6 | 25.8 | |
| All | 174,680 | 100.0 | 89,920 | 100.0 | 18,030 | 100.0 | 71,880 | 100.0 | 20.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 15,850 | 9.1 | 149,140 | 15.1 | 29,900 | 15.0 | 119,240 | 15.1 | 20.1 | |
| 90-95 | 7,720 | 4.4 | 212,620 | 10.5 | 47,140 | 11.6 | 165,480 | 10.2 | 22.2 | |
| 95-99 | 5,910 | 3.4 | 354,010 | 13.3 | 88,220 | 16.5 | 265,800 | 12.5 | 24.9 | |
| Top 1 Percent | 1,330 | 0.8 | 2,106,880 | 17.8 | 701,190 | 29.6 | 1,405,690 | 14.9 | 33.3 | |
| Top 0.1 Percent | 140 | 0.1 | 10,124,860 | 8.8 | 3,491,980 | 15.2 | 6,632,880 | 7.2 | 34.5 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

Number of AMT Taxpayers (millions). Baseline: 4.8 Proposal: 4.8

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of

7.5 percent of AGI. For a description of TPC's current law baseline, <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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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 T16-0298
Repeat Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Single Tax Units

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|--|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|---------|------------------------|--------------------|---------------------------------------|--------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (%) Points) | Under the Proposal | Change (%) Points) | Under the Proposal |
| Lowest Quintile | 0.1 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 2.1 | 0.0 | 5.5 |
| Second Quintile | 0.9 | 0.0 | 0.0 | 1.6 | * | 0.0 | 0.0 | 6.0 | 0.0 | 8.1 |
| Middle Quintile | 5.0 | 0.0 | 0.0 | 12.1 | -10 | -0.1 | 0.0 | 13.5 | 0.0 | 13.4 |
| Fourth Quintile | 8.0 | 0.0 | 0.0 | 33.0 | -20 | -0.2 | 0.0 | 22.4 | 0.0 | 17.9 |
| Top Quintile | 8.9 | 0.0 | 0.0 | 53.2 | -40 | -0.1 | 0.0 | 55.7 | 0.0 | 25.4 |
| All | 3.3 | 0.0 | 0.0 | 100.0 | -10 | -0.1 | 0.0 | 100.0 | 0.0 | 17.9 |
| Addendum | | | | | | | | | | |
| 80-90 | 10.3 | 0.0 | 0.1 | 28.5 | -40 | -0.2 | 0.0 | 16.7 | 0.0 | 21.0 |
| 90-95 | 8.5 | 0.0 | 0.0 | 12.8 | -40 | -0.1 | 0.0 | 10.6 | 0.0 | 22.8 |
| 95-99 | 5.4 | 0.0 | 0.0 | 9.3 | -50 | -0.1 | 0.0 | 11.4 | 0.0 | 24.9 |
| Top 1 Percent | 1.8 | 0.0 | 0.0 | 2.6 | -90 | 0.0 | 0.0 | 17.1 | 0.0 | 35.5 |
| Top 0.1 Percent | 0.5 | 0.0 | 0.0 | 0.2 | -70 | 0.0 | 0.0 | 9.4 | 0.0 | 36.0 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|--|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 26,560 | 29.9 | 10,600 | 6.8 | 590 | 2.1 | 10,010 | 7.8 | 5.5 | |
| Second Quintile | 21,870 | 24.6 | 25,250 | 13.4 | 2,040 | 6.0 | 23,210 | 15.0 | 8.1 | |
| Middle Quintile | 17,230 | 19.4 | 43,480 | 18.1 | 5,810 | 13.5 | 37,670 | 19.1 | 13.4 | |
| Fourth Quintile | 13,210 | 14.9 | 70,000 | 22.4 | 12,560 | 22.4 | 57,440 | 22.4 | 18.0 | |
| Top Quintile | 9,390 | 10.6 | 172,900 | 39.3 | 43,920 | 55.7 | 128,970 | 35.7 | 25.4 | |
| All | 88,910 | 100.0 | 46,490 | 100.0 | 8,330 | 100.0 | 38,160 | 100.0 | 17.9 | |
| Addendum | | | | | | | | | | |
| 80-90 | 5,460 | 6.1 | 107,330 | 14.2 | 22,610 | 16.7 | 84,720 | 13.6 | 21.1 | |
| 90-95 | 2,300 | 2.6 | 149,140 | 8.3 | 34,020 | 10.6 | 115,120 | 7.8 | 22.8 | |
| 95-99 | 1,400 | 1.6 | 241,710 | 8.2 | 60,210 | 11.4 | 181,500 | 7.5 | 24.9 | |
| Top 1 Percent | 230 | 0.3 | 1,576,130 | 8.6 | 560,170 | 17.0 | 1,015,960 | 6.7 | 35.5 | |
| Top 0.1 Percent | 30 | 0.0 | 6,909,280 | 4.7 | 2,489,230 | 9.4 | 4,420,050 | 3.6 | 36.0 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of 7.5 percent of AGI. For a description of TPC's current law baseline, <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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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 T16-0298
Repeat Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Married Tax Units Filing Jointly

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|---|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (%) Points) | Under the Proposal | Change (%) Points) | Under the Proposal |
| Lowest Quintile | * | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -0.1 | 0.0 | -1.2 |
| Second Quintile | 2.0 | 0.0 | 0.0 | 0.8 | * | -0.1 | 0.0 | 0.9 | 0.0 | 6.3 |
| Middle Quintile | 7.1 | 0.0 | 0.0 | 7.8 | -10 | -0.2 | 0.0 | 4.5 | 0.0 | 11.5 |
| Fourth Quintile | 12.1 | 0.0 | 0.0 | 32.7 | -40 | -0.2 | 0.0 | 13.9 | 0.0 | 16.0 |
| Top Quintile | 7.3 | 0.0 | 0.0 | 58.8 | -60 | -0.1 | 0.0 | 80.6 | 0.0 | 25.8 |
| All | 7.3 | 0.0 | 0.0 | 100.0 | -30 | -0.1 | 0.0 | 100.0 | 0.0 | 21.9 |
| Addendum | | | | | | | | | | |
| 80-90 | 10.0 | 0.0 | 0.0 | 30.4 | -60 | -0.2 | 0.0 | 14.6 | 0.0 | 19.5 |
| 90-95 | 7.0 | 0.0 | 0.0 | 14.4 | -60 | -0.1 | 0.0 | 12.2 | 0.0 | 21.9 |
| 95-99 | 3.5 | 0.0 | 0.0 | 11.6 | -50 | -0.1 | 0.0 | 19.2 | 0.0 | 24.9 |
| Top 1 Percent | 0.9 | 0.0 | 0.0 | 2.3 | -40 | 0.0 | 0.0 | 34.6 | 0.0 | 32.9 |
| Top 0.1 Percent | * | 0.0 | 0.0 | 0.0 | * | 0.0 | 0.0 | 17.1 | 0.0 | 34.2 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|---|-----------------------|---------------------|-------------------|---------------------|--------------------|------------------|-------------------------------|---------------------|---|--|
| | 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 | 20,290 | 1.0 | -240 | -0.1 | 20,530 | 1.3 | -1.2 | |
| Second Quintile | 6,880 | 11.6 | 45,190 | 3.1 | 2,830 | 0.9 | 42,360 | 3.8 | 6.3 | |
| Middle Quintile | 11,270 | 19.0 | 75,560 | 8.6 | 8,680 | 4.5 | 66,890 | 9.7 | 11.5 | |
| Fourth Quintile | 16,010 | 27.0 | 118,930 | 19.1 | 19,010 | 14.0 | 99,920 | 20.6 | 16.0 | |
| Top Quintile | 19,580 | 33.1 | 347,810 | 68.4 | 89,690 | 80.6 | 258,120 | 65.0 | 25.8 | |
| All | 59,210 | 100.0 | 168,110 | 100.0 | 36,820 | 100.0 | 131,290 | 100.0 | 21.9 | |
| Addendum | | | | | | | | | | |
| 80-90 | 9,290 | 15.7 | 174,910 | 16.3 | 34,190 | 14.6 | 140,730 | 16.8 | 19.5 | |
| 90-95 | 4,970 | 8.4 | 243,880 | 12.2 | 53,550 | 12.2 | 190,320 | 12.2 | 22.0 | |
| 95-99 | 4,270 | 7.2 | 393,920 | 16.9 | 98,050 | 19.2 | 295,880 | 16.3 | 24.9 | |
| Top 1 Percent | 1,050 | 1.8 | 2,182,330 | 23.0 | 717,960 | 34.6 | 1,464,370 | 19.8 | 32.9 | |
| Top 0.1 Percent | 100 | 0.2 | 10,913,450 | 10.9 | 3,730,900 | 17.1 | 7,182,560 | 9.2 | 34.2 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of 7.5 percent of AGI. For a description of TPC's current law baseline,

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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

<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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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 T16-0298
Repeat Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹
Detail Table - Head of Household Tax Units

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|---|-----------------------------------|-------------------|---|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (%) Points) | Under the Proposal | Change (%) Points) | Under the Proposal |
| Lowest Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -7.6 | 0.0 | -8.8 |
| Second Quintile | 1.5 | 0.0 | 0.0 | 3.9 | * | -0.1 | 0.0 | 7.3 | 0.0 | 4.1 |
| Middle Quintile | 6.3 | 0.0 | 0.0 | 23.3 | -10 | -0.2 | 0.0 | 24.3 | 0.0 | 11.7 |
| Fourth Quintile | 8.8 | 0.0 | 0.0 | 31.1 | -30 | -0.2 | 0.0 | 30.1 | 0.0 | 17.3 |
| Top Quintile | 8.5 | 0.0 | 0.1 | 41.7 | -80 | -0.1 | 0.0 | 45.8 | 0.0 | 24.9 |
| All | 3.3 | 0.0 | 0.0 | 100.0 | -10 | -0.2 | 0.0 | 100.0 | 0.0 | 12.1 |
| Addendum | | | | | | | | | | |
| 80-90 | 6.1 | 0.0 | 0.0 | 13.1 | -40 | -0.1 | 0.0 | 15.5 | 0.0 | 21.2 |
| 90-95 | 13.0 | 0.0 | 0.1 | 17.9 | -140 | -0.3 | 0.0 | 9.1 | -0.1 | 22.5 |
| 95-99 | 13.1 | 0.0 | 0.1 | 10.3 | -170 | -0.2 | 0.0 | 7.3 | -0.1 | 25.4 |
| Top 1 Percent | 0.9 | 0.0 | 0.0 | 0.5 | -40 | 0.0 | 0.0 | 13.9 | 0.0 | 33.5 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 8.4 | 0.0 | 35.1 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|---|-----------------------|---------------------|-------------------|---------------------|--------------------|------------------|-------------------------------|---------------------|---|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 7,180 | 30.3 | 19,440 | 10.3 | -1,720 | -7.6 | 21,160 | 12.8 | -8.8 | |
| Second Quintile | 7,170 | 30.3 | 40,510 | 21.5 | 1,650 | 7.2 | 38,860 | 23.4 | 4.1 | |
| Middle Quintile | 5,160 | 21.8 | 65,700 | 25.1 | 7,700 | 24.3 | 58,000 | 25.2 | 11.7 | |
| Fourth Quintile | 2,810 | 11.9 | 101,180 | 21.0 | 17,530 | 30.1 | 83,650 | 19.7 | 17.3 | |
| Top Quintile | 1,300 | 5.5 | 231,460 | 22.2 | 57,740 | 45.8 | 173,720 | 18.9 | 25.0 | |
| All | 23,660 | 100.0 | 57,170 | 100.0 | 6,910 | 100.0 | 50,260 | 100.0 | 12.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 800 | 3.4 | 148,580 | 8.8 | 31,560 | 15.5 | 117,020 | 7.9 | 21.2 | |
| 90-95 | 320 | 1.4 | 205,850 | 4.9 | 46,420 | 9.1 | 159,420 | 4.3 | 22.6 | |
| 95-99 | 150 | 0.6 | 320,980 | 3.5 | 81,650 | 7.4 | 239,330 | 3.0 | 25.4 | |
| Top 1 Percent | 30 | 0.1 | 2,504,900 | 5.0 | 837,850 | 13.9 | 1,667,040 | 3.8 | 33.5 | |
| Top 0.1 Percent | * | 0.0 | 13,027,130 | 2.9 | 4,569,510 | 8.4 | 8,457,620 | 2.1 | 35.1 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

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

(1) Calendar year. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of 7.5 percent of AGI. For a description of TPC's current law baseline,

<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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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 T16-0298
Repeal Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹
Detail Table - Tax Units with Children

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|--|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|---------|------------------------|--------------------|---------------------------------------|--------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (% Points) | Under the Proposal | Change (% Points) | Under the Proposal |
| Lowest Quintile | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | -1.3 | 0.0 | -8.3 |
| Second Quintile | 2.1 | 0.0 | 0.0 | 2.6 | * | -0.1 | 0.0 | 1.6 | 0.0 | 4.7 |
| Middle Quintile | 7.7 | 0.0 | 0.0 | 19.2 | -20 | -0.2 | 0.0 | 7.8 | 0.0 | 12.6 |
| Fourth Quintile | 8.4 | 0.0 | 0.0 | 38.0 | -30 | -0.1 | 0.0 | 16.9 | 0.0 | 17.3 |
| Top Quintile | 3.7 | 0.0 | 0.0 | 40.3 | -40 | 0.0 | 0.0 | 74.9 | 0.0 | 26.6 |
| All | 4.3 | 0.0 | 0.0 | 100.0 | -20 | -0.1 | 0.0 | 100.0 | 0.0 | 20.4 |
| Addendum | | | | | | | | | | |
| 80-90 | 4.8 | 0.0 | 0.0 | 20.8 | -40 | -0.1 | 0.0 | 14.4 | 0.0 | 20.5 |
| 90-95 | 3.8 | 0.0 | 0.0 | 10.6 | -40 | -0.1 | 0.0 | 11.5 | 0.0 | 22.8 |
| 95-99 | 1.5 | 0.0 | 0.0 | 8.1 | -40 | 0.0 | 0.0 | 17.2 | 0.0 | 26.2 |
| Top 1 Percent | 0.3 | 0.0 | 0.0 | 0.8 | -10 | 0.0 | 0.0 | 31.8 | 0.0 | 33.5 |
| Top 0.1 Percent | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 15.3 | 0.0 | 34.4 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|--|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 10,050 | 20.1 | 20,590 | 3.2 | -1,700 | -1.3 | 22,290 | 4.4 | -8.3 | |
| Second Quintile | 10,250 | 20.5 | 45,040 | 7.2 | 2,100 | 1.6 | 42,940 | 8.6 | 4.7 | |
| Middle Quintile | 10,370 | 20.7 | 78,460 | 12.6 | 9,880 | 7.8 | 68,580 | 13.9 | 12.6 | |
| Fourth Quintile | 9,790 | 19.5 | 130,840 | 19.9 | 22,680 | 16.9 | 108,160 | 20.7 | 17.3 | |
| Top Quintile | 9,400 | 18.8 | 394,250 | 57.5 | 104,950 | 74.9 | 289,300 | 53.0 | 26.6 | |
| All | 50,120 | 100.0 | 128,610 | 100.0 | 26,280 | 100.0 | 102,340 | 100.0 | 20.4 | |
| Addendum | | | | | | | | | | |
| 80-90 | 4,670 | 9.3 | 198,440 | 14.4 | 40,700 | 14.4 | 157,740 | 14.4 | 20.5 | |
| 90-95 | 2,380 | 4.7 | 280,000 | 10.3 | 63,880 | 11.5 | 216,120 | 10.0 | 22.8 | |
| 95-99 | 1,860 | 3.7 | 464,470 | 13.4 | 121,500 | 17.2 | 342,970 | 12.4 | 26.2 | |
| Top 1 Percent | 490 | 1.0 | 2,566,310 | 19.4 | 860,000 | 31.8 | 1,706,310 | 16.2 | 33.5 | |
| Top 0.1 Percent | 50 | 0.1 | 12,432,880 | 9.1 | 4,275,040 | 15.3 | 8,157,830 | 7.5 | 34.4 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

* 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. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of

7.5 percent of AGI. For a description of TPC's current law baseline, <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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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 T16-0298
Repeal Increase in Threshold for Medical Expense Deduction
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹
Detail Table - Elderly Tax Units

| Expanded Cash Income Percentile ^{2,3} | Percent of Tax Units ⁴ | | Percent Change in After-Tax Income ⁵ | Share of Total Federal Tax Change | Average Federal Tax Change | | Share of Federal Taxes | | Average Federal Tax Rate ⁶ | |
|--|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|---------|------------------------|--------------------|---------------------------------------|--------------------|
| | With Tax Cut | With Tax Increase | | | Dollars | Percent | Change (% Points) | Under the Proposal | Change (% Points) | Under the Proposal |
| Lowest Quintile | 0.1 | 0.0 | 0.0 | 0.1 | 0 | 0.0 | 0.0 | 0.2 | 0.0 | 1.2 |
| Second Quintile | 1.0 | 0.0 | 0.0 | 0.7 | * | -0.1 | 0.0 | 1.3 | 0.0 | 2.4 |
| Middle Quintile | 5.8 | 0.0 | 0.0 | 5.6 | -10 | -0.2 | 0.0 | 4.5 | 0.0 | 5.6 |
| Fourth Quintile | 15.4 | 0.0 | 0.1 | 31.0 | -40 | -0.4 | 0.0 | 13.3 | -0.1 | 11.3 |
| Top Quintile | 15.1 | 0.0 | 0.1 | 62.7 | -100 | -0.1 | 0.0 | 80.2 | 0.0 | 25.4 |
| All | 6.5 | 0.0 | 0.0 | 100.0 | -20 | -0.2 | 0.0 | 100.0 | 0.0 | 17.1 |
| Addendum | | | | | | | | | | |
| 80-90 | 18.8 | 0.0 | 0.1 | 31.9 | -90 | -0.4 | 0.0 | 13.2 | -0.1 | 16.7 |
| 90-95 | 14.7 | 0.0 | 0.1 | 15.6 | -110 | -0.3 | 0.0 | 9.5 | -0.1 | 19.7 |
| 95-99 | 8.1 | 0.0 | 0.0 | 11.5 | -100 | -0.1 | 0.0 | 15.3 | 0.0 | 23.5 |
| Top 1 Percent | 2.7 | 0.0 | 0.0 | 3.8 | -120 | 0.0 | 0.1 | 42.3 | 0.0 | 34.0 |
| Top 0.1 Percent | 0.1 | 0.0 | 0.0 | 0.1 | -20 | 0.0 | 0.0 | 25.2 | 0.0 | 34.6 |

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2017 ¹

| Expanded Cash Income Percentile ^{2,3} | Tax Units | | Pre-Tax Income | | Federal Tax Burden | | After-Tax Income ⁵ | | Average Federal Tax Rate ⁶ | |
|--|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|--|
| | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars) | Percent of Total | | |
| Lowest Quintile | 8,000 | 18.7 | 12,950 | 3.1 | 160 | 0.2 | 12,790 | 3.7 | 1.2 | |
| Second Quintile | 11,440 | 26.8 | 27,160 | 9.4 | 660 | 1.3 | 26,490 | 11.0 | 2.4 | |
| Middle Quintile | 9,010 | 21.1 | 50,780 | 13.8 | 2,860 | 4.6 | 47,920 | 15.7 | 5.6 | |
| Fourth Quintile | 7,620 | 17.8 | 87,250 | 20.1 | 9,930 | 13.4 | 77,320 | 21.4 | 11.4 | |
| Top Quintile | 6,230 | 14.6 | 286,990 | 53.9 | 72,870 | 80.1 | 214,110 | 48.5 | 25.4 | |
| All | 42,730 | 100.0 | 77,610 | 100.0 | 13,260 | 100.0 | 64,340 | 100.0 | 17.1 | |
| Addendum | | | | | | | | | | |
| 80-90 | 3,330 | 7.8 | 134,050 | 13.4 | 22,480 | 13.2 | 111,580 | 13.5 | 16.8 | |
| 90-95 | 1,430 | 3.4 | 189,830 | 8.2 | 37,460 | 9.5 | 152,370 | 7.9 | 19.7 | |
| 95-99 | 1,170 | 2.7 | 314,120 | 11.1 | 74,020 | 15.3 | 240,090 | 10.2 | 23.6 | |
| Top 1 Percent | 310 | 0.7 | 2,295,300 | 21.2 | 780,230 | 42.2 | 1,515,080 | 16.9 | 34.0 | |
| Top 0.1 Percent | 40 | 0.1 | 9,571,000 | 12.4 | 3,312,200 | 25.2 | 6,258,800 | 9.8 | 34.6 | |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-2).

* 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. Baseline is current law. Under current law, taxpayers can deduct medical expenses exceeding 10 percent of AGI. Proposal would lower threshold to pre-ACA level of

7.5 percent of AGI. For a description of TPC's current law baseline, <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% \$17,300; 40% \$32,100; 60% \$53,300; 80% \$87,800; 90% \$125,100; 95% \$173,800; 99% \$401,900; 99.9% \$2,144,900.

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

(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.