

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

Table T17-0094
Reduce Threshold for Medical Expense Deduction from 7.5 to 5.8 Percent of Adjusted Gross Income (AGI)
Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2022 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	4.3
Second Quintile	2.6	-80	0.0	0	0.0	2.2	*	0.0	8.6
Middle Quintile	8.6	-160	0.0	0	0.0	13.3	-10	0.0	13.9
Fourth Quintile	13.9	-310	0.0	0	0.0	34.4	-40	0.0	17.1
Top Quintile	9.3	-790	0.0	0	0.0	50.1	-70	0.0	25.9
All	5.9	-340	0.0	0	0.0	100.0	-20	0.0	20.0
Addendum									
80-90	12.1	-610	0.0	0	0.0	26.0	-70	0.0	20.0
90-95	8.0	-920	0.0	0	0.0	12.6	-70	0.0	22.1
95-99	5.4	-1,420	0.0	0	0.0	10.0	-80	0.0	25.5
Top 1 Percent	0.7	-6,880	0.0	0	0.0	1.5	-50	0.0	33.2
Top 0.1 Percent	0.1	-27,190	0.0	0	0.0	0.1	-20	0.0	34.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

Number of AMT Taxpayers (millions). Baseline: 5.6

Proposal: 5.6

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

(1) Calendar year. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

<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 2017 dollars): 20% \$26,300; 40% \$51,600; 60% \$89,400; 80% \$152,400; 90% \$222,600; 95% \$311,700; 99% \$772,000; 99.9% \$3,954,500.

(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.

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Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2022 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	0.9	0.0	4.3
Second Quintile	2.6	0.0	0.0	2.2	*	-0.1	0.0	3.9	0.0	8.6
Middle Quintile	8.6	0.0	0.0	13.3	-10	-0.1	0.0	9.9	0.0	13.9
Fourth Quintile	13.9	0.0	0.0	34.4	-40	-0.2	0.0	17.3	0.0	17.1
Top Quintile	9.3	0.0	0.0	50.1	-70	-0.1	0.0	67.8	0.0	25.9
All	5.9	0.0	0.0	100.0	-20	-0.1	0.0	100.0	0.0	20.0
Addendum										
80-90	12.1	0.0	0.0	26.0	-70	-0.2	0.0	13.8	0.0	20.0
90-95	8.0	0.0	0.0	12.6	-70	-0.1	0.0	10.5	0.0	22.1
95-99	5.4	0.0	0.0	10.0	-80	-0.1	0.0	15.9	0.0	25.5
Top 1 Percent	0.7	0.0	0.0	1.5	-50	0.0	0.0	27.7	0.0	33.2
Top 0.1 Percent	0.1	0.0	0.0	0.1	-20	0.0	0.0	13.2	0.0	34.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2022 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	49,440	27.4	17,050	4.4	730	0.9	16,330	5.3	4.3	
Second Quintile	40,450	22.4	42,130	8.9	3,640	3.9	38,500	10.2	8.6	
Middle Quintile	35,240	19.5	77,120	14.3	10,740	9.9	66,370	15.3	13.9	
Fourth Quintile	29,390	16.3	131,080	20.2	22,460	17.3	108,620	20.9	17.1	
Top Quintile	25,040	13.9	398,280	52.3	103,110	67.8	295,170	48.5	25.9	
All	180,680	100.0	105,460	100.0	21,090	100.0	84,370	100.0	20.0	
Addendum										
80-90	12,890	7.1	203,920	13.8	40,770	13.8	163,150	13.8	20.0	
90-95	6,190	3.4	291,140	9.5	64,350	10.5	226,790	9.2	22.1	
95-99	4,790	2.7	494,660	12.4	126,220	15.9	368,440	11.6	25.5	
Top 1 Percent	1,170	0.7	2,713,310	16.7	900,810	27.7	1,812,500	13.9	33.2	
Top 0.1 Percent	120	0.1	12,283,410	7.7	4,182,270	13.1	8,101,150	6.4	34.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

Number of AMT Taxpayers (millions). Baseline: 5.6 Proposal: 5.6

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

(1) Calendar year. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

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Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	0.2	0.0	1.4
Second Quintile	1.6	0.0	0.0	1.4	*	-0.1	0.0	2.9	0.0	7.6
Middle Quintile	7.3	0.0	0.0	9.7	-10	-0.1	0.0	7.9	0.0	12.5
Fourth Quintile	11.9	0.0	0.0	28.4	-30	-0.2	0.0	16.7	0.0	16.6
Top Quintile	10.4	0.0	0.0	60.5	-70	-0.1	0.0	72.2	0.0	25.5
All	5.9	0.0	0.0	100.0	-20	-0.1	0.0	100.0	0.0	20.0
Addendum										
80-90	12.3	0.0	0.0	27.4	-60	-0.2	0.0	14.8	0.0	19.7
90-95	10.8	0.0	0.0	17.1	-80	-0.1	0.0	11.5	0.0	21.9
95-99	6.6	0.0	0.0	13.9	-80	-0.1	0.0	17.3	0.0	25.1
Top 1 Percent	1.3	0.0	0.0	2.1	-50	0.0	0.0	28.7	0.0	33.0
Top 0.1 Percent	0.3	0.0	0.0	0.2	-40	0.0	0.0	13.7	0.0	34.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	39,720	22.0	15,890	3.3	230	0.2	15,670	4.1	1.4	
Second Quintile	38,540	21.3	37,260	7.5	2,830	2.9	34,430	8.7	7.6	
Middle Quintile	35,670	19.7	67,760	12.7	8,450	7.9	59,320	13.9	12.5	
Fourth Quintile	33,630	18.6	113,700	20.1	18,870	16.7	94,830	20.9	16.6	
Top Quintile	31,990	17.7	337,070	56.6	85,960	72.2	251,110	52.7	25.5	
All	180,680	100.0	105,460	100.0	21,090	100.0	84,370	100.0	20.0	
Addendum										
80-90	16,310	9.0	174,610	15.0	34,470	14.8	140,150	15.0	19.7	
90-95	8,050	4.5	248,210	10.5	54,400	11.5	193,810	10.2	21.9	
95-99	6,220	3.4	422,240	13.8	105,920	17.3	316,320	12.9	25.1	
Top 1 Percent	1,400	0.8	2,357,860	17.4	777,070	28.6	1,580,790	14.6	33.0	
Top 0.1 Percent	140	0.1	10,847,750	8.1	3,696,000	13.7	7,151,750	6.6	34.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

Number of AMT Taxpayers (millions). Baseline: 5.6 Proposal: 5.6

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

(1) Calendar year. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

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(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.

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Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
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	2.3	0.0	6.5
Second Quintile	1.0	0.0	0.0	1.3	*	0.0	0.0	6.2	0.0	8.0
Middle Quintile	5.4	0.0	0.0	10.4	-10	-0.1	0.0	12.7	0.0	12.7
Fourth Quintile	9.5	0.0	0.0	29.7	-20	-0.1	0.0	21.3	0.0	17.6
Top Quintile	10.7	0.0	0.0	58.5	-50	-0.1	0.0	57.2	0.0	25.1
All	3.9	0.0	0.0	100.0	-10	-0.1	0.0	100.0	0.0	17.8
Addendum										
80-90	11.9	0.0	0.0	26.2	-40	-0.2	0.0	15.7	0.0	20.7
90-95	11.8	0.0	0.1	17.2	-60	-0.2	0.0	10.7	0.0	22.3
95-99	6.3	0.0	0.0	11.6	-60	-0.1	0.0	13.1	0.0	25.1
Top 1 Percent	2.9	0.0	0.0	3.5	-110	0.0	0.0	17.7	0.0	34.1
Top 0.1 Percent	1.1	0.0	0.0	0.5	-140	0.0	0.0	8.8	0.0	35.3

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	26,200	28.7	12,380	6.4	800	2.3	11,580	7.3	6.5	
Second Quintile	23,620	25.8	29,600	13.7	2,380	6.2	27,220	15.4	8.0	
Middle Quintile	17,830	19.5	50,890	17.8	6,470	12.7	44,420	18.9	12.7	
Fourth Quintile	13,280	14.5	82,290	21.5	14,530	21.3	67,760	21.5	17.7	
Top Quintile	9,840	10.8	209,710	40.5	52,680	57.2	157,030	36.9	25.1	
All	91,400	100.0	55,690	100.0	9,910	100.0	45,780	100.0	17.8	
Addendum										
80-90	5,450	6.0	125,620	13.5	26,060	15.7	99,560	13.0	20.8	
90-95	2,470	2.7	175,940	8.6	39,360	10.8	136,580	8.1	22.4	
95-99	1,630	1.8	291,500	9.3	73,080	13.1	218,420	8.5	25.1	
Top 1 Percent	290	0.3	1,620,100	9.2	552,330	17.7	1,067,770	7.4	34.1	
Top 0.1 Percent	30	0.0	7,096,200	4.4	2,507,310	8.8	4,588,880	3.5	35.3	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

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

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

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(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.

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Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
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	0.1	0.0	0.0	0.0	0	0.2	0.0	0.0	0.0	-0.1
Second Quintile	3.0	0.0	0.0	0.9	*	-0.1	0.0	1.1	0.0	7.7
Middle Quintile	9.8	0.0	0.0	8.0	-20	-0.2	0.0	5.0	0.0	12.0
Fourth Quintile	14.1	0.0	0.0	27.6	-40	-0.2	0.0	14.2	0.0	15.9
Top Quintile	10.3	0.0	0.0	63.5	-80	-0.1	0.0	79.6	0.0	25.5
All	9.4	0.0	0.0	100.0	-40	-0.1	0.0	100.0	0.0	21.7
Addendum										
80-90	13.0	0.0	0.0	29.5	-70	-0.2	0.0	14.7	0.0	19.3
90-95	10.7	0.0	0.0	18.0	-90	-0.1	0.0	12.2	0.0	21.7
95-99	6.0	0.0	0.0	14.4	-80	-0.1	0.0	19.7	0.0	25.1
Top 1 Percent	0.8	0.0	0.0	1.6	-40	0.0	0.0	33.1	0.0	32.8
Top 0.1 Percent	*	0.0	0.0	0.0	-10	0.0	0.0	15.3	0.0	33.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	5,210	8.4	23,550	1.0	-20	0.0	23,570	1.3	-0.1	
Second Quintile	7,190	11.6	53,310	3.2	4,090	1.1	49,220	3.8	7.7	
Middle Quintile	12,040	19.5	89,480	9.0	10,730	5.0	78,750	10.1	12.0	
Fourth Quintile	16,770	27.1	138,970	19.4	22,140	14.2	116,830	20.8	15.9	
Top Quintile	20,230	32.7	401,860	67.7	102,670	79.6	299,190	64.4	25.6	
All	61,840	100.0	194,240	100.0	42,220	100.0	152,020	100.0	21.7	
Addendum										
80-90	9,760	15.8	203,540	16.5	39,260	14.7	164,280	17.1	19.3	
90-95	5,130	8.3	284,890	12.2	61,880	12.2	223,010	12.2	21.7	
95-99	4,300	7.0	477,180	17.1	119,670	19.7	357,510	16.4	25.1	
Top 1 Percent	1,050	1.7	2,515,630	21.9	824,340	33.0	1,691,290	18.8	32.8	
Top 0.1 Percent	100	0.2	11,905,000	9.8	4,036,500	15.2	7,868,500	8.3	33.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

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Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 ¹
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	-6.3	0.0	-7.2
Second Quintile	2.3	0.0	0.0	4.9	*	-0.1	0.0	9.9	0.0	6.1
Middle Quintile	7.4	0.0	0.0	20.5	-10	-0.1	0.0	23.8	0.0	12.7
Fourth Quintile	10.9	0.0	0.0	30.3	-30	-0.2	0.0	27.9	0.0	17.2
Top Quintile	11.0	0.0	0.0	44.2	-90	-0.1	0.0	44.6	0.0	24.7
All	4.1	0.0	0.0	100.0	-10	-0.1	0.0	100.0	0.0	12.8
Addendum										
80-90	8.6	0.0	0.0	14.5	-50	-0.1	0.0	14.1	0.0	20.6
90-95	9.4	0.0	0.1	10.4	-90	-0.2	0.0	8.8	0.0	22.6
95-99	26.2	0.0	0.1	18.1	-280	-0.3	0.0	7.9	-0.1	24.9
Top 1 Percent	2.4	0.0	0.0	1.3	-130	0.0	0.0	13.8	0.0	33.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	8.2	0.0	34.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	7,850	32.7	22,590	11.2	-1,630	-6.3	24,220	13.8	-7.2	
Second Quintile	7,070	29.4	46,810	20.9	2,850	9.9	43,970	22.5	6.1	
Middle Quintile	4,930	20.5	77,330	24.0	9,820	23.8	67,510	24.1	12.7	
Fourth Quintile	2,790	11.6	118,130	20.8	20,320	27.9	97,810	19.8	17.2	
Top Quintile	1,340	5.6	274,270	23.1	67,750	44.6	206,520	20.0	24.7	
All	24,020	100.0	66,040	100.0	8,460	100.0	57,580	100.0	12.8	
Addendum										
80-90	810	3.4	171,850	8.8	35,530	14.1	136,330	8.0	20.7	
90-95	330	1.4	242,100	5.0	54,840	8.8	187,260	4.4	22.7	
95-99	180	0.7	367,360	4.1	91,620	7.9	275,740	3.5	24.9	
Top 1 Percent	30	0.1	3,000,230	5.3	991,370	13.8	2,008,860	4.1	33.0	
Top 0.1 Percent	*	0.0	15,792,480	3.1	5,388,060	8.2	10,404,420	2.3	34.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

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

(1) Calendar year. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

<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 2017 dollars): 20% \$18,700; 40% \$34,200; 60% \$57,800; 80% \$93,400; 90% \$133,800; 95% \$187,500; 99% \$449,000; 99.9% \$2,283,700.

(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 T17-0094
Reduce Threshold for Medical Expense Deduction from 7.5 to 5.8 Percent of Adjusted Gross Income (AGI)
Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	-1.2	0.0	-6.9
Second Quintile	3.1	0.0	0.0	3.0	*	-0.1	0.0	2.5	0.0	6.7
Middle Quintile	10.4	0.0	0.0	17.6	-20	-0.2	0.0	8.4	0.0	13.3
Fourth Quintile	11.8	0.0	0.0	35.5	-40	-0.2	0.0	17.0	0.0	17.4
Top Quintile	6.0	0.0	0.0	44.0	-50	0.0	0.0	73.2	0.0	26.6
All	6.0	0.0	0.0	100.0	-20	-0.1	0.0	100.0	0.0	20.4
Addendum										
80-90	7.6	0.0	0.0	22.4	-50	-0.1	0.0	14.1	0.0	20.5
90-95	6.2	0.0	0.0	12.8	-60	-0.1	0.0	11.3	0.0	22.8
95-99	3.1	0.0	0.0	8.0	-50	0.0	0.0	17.3	0.0	26.5
Top 1 Percent	0.3	0.0	0.0	0.8	-20	0.0	0.0	30.5	0.0	33.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.8	0.0	33.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	11,970	21.9	23,650	3.6	-1,620	-1.2	25,270	4.8	-6.9	
Second Quintile	11,450	21.0	51,940	7.5	3,460	2.5	48,470	8.9	6.7	
Middle Quintile	11,040	20.2	92,690	13.0	12,320	8.4	80,370	14.2	13.3	
Fourth Quintile	10,260	18.8	153,140	19.9	26,690	17.0	126,450	20.7	17.4	
Top Quintile	9,620	17.6	460,800	56.3	122,660	73.2	338,140	51.9	26.6	
All	54,560	100.0	144,460	100.0	29,550	100.0	114,910	100.0	20.5	
Addendum										
80-90	4,810	8.8	230,990	14.1	47,300	14.1	183,690	14.1	20.5	
90-95	2,450	4.5	325,400	10.1	74,280	11.3	251,120	9.8	22.8	
95-99	1,870	3.4	564,610	13.4	149,400	17.3	415,210	12.4	26.5	
Top 1 Percent	500	0.9	2,963,320	18.7	990,360	30.5	1,972,960	15.6	33.4	
Top 0.1 Percent	50	0.1	13,115,450	8.3	4,446,680	13.8	8,668,770	6.9	33.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

* 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 or with children qualifying for the Child Tax Credit or EITC.

(1) Calendar year. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

<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 2017 dollars): 20% \$18,700; 40% \$34,200; 60% \$57,800; 80% \$93,400; 90% \$133,800; 95% \$187,500; 99% \$449,000; 99.9% \$2,283,700.

(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 T17-0094
Reduce Threshold for Medical Expense Deduction from 7.5 to 5.8 Percent of Adjusted Gross Income (AGI)
Baseline: Modified Current Law with 7.5 Percent of AGI Threshold for Medical Expense Deduction
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	0.2	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	1.7
Second Quintile	1.0	0.0	0.0	0.5	0	-0.1	0.0	1.4	0.0	2.4
Middle Quintile	6.0	0.0	0.0	5.4	-10	-0.2	0.0	5.2	0.0	6.0
Fourth Quintile	15.5	0.0	0.0	25.2	-40	-0.3	0.0	13.5	0.0	11.5
Top Quintile	17.1	0.0	0.1	68.8	-110	-0.1	0.0	79.3	0.0	24.5
All	7.0	0.0	0.0	100.0	-30	-0.2	0.0	100.0	0.0	16.7
Addendum										
80-90	20.2	0.0	0.1	29.7	-100	-0.4	0.0	13.1	-0.1	16.5
90-95	17.5	0.0	0.1	18.4	-120	-0.3	0.0	10.6	-0.1	19.4
95-99	12.2	0.0	0.1	17.3	-150	-0.2	0.0	17.4	0.0	23.6
Top 1 Percent	2.7	0.0	0.0	3.5	-120	0.0	0.1	38.2	0.0	33.0
Top 0.1 Percent	0.5	0.0	0.0	0.2	-50	0.0	0.0	20.5	0.0	34.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2022 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	7,970	16.1	15,020	2.6	250	0.3	14,770	3.1	1.7	
Second Quintile	13,770	27.8	31,780	9.6	780	1.4	31,000	11.3	2.4	
Middle Quintile	11,030	22.3	59,150	14.4	3,560	5.2	55,590	16.2	6.0	
Fourth Quintile	8,790	17.8	101,440	19.7	11,690	13.5	89,750	20.9	11.5	
Top Quintile	7,560	15.3	324,740	54.0	79,650	79.3	245,090	49.0	24.5	
All	49,540	100.0	91,660	100.0	15,330	100.0	76,330	100.0	16.7	
Addendum										
80-90	3,840	7.8	156,790	13.3	25,890	13.1	130,910	13.3	16.5	
90-95	1,860	3.8	223,700	9.2	43,400	10.6	180,300	8.9	19.4	
95-99	1,480	3.0	377,450	12.3	89,270	17.4	288,190	11.3	23.7	
Top 1 Percent	380	0.8	2,317,940	19.3	765,260	38.1	1,552,680	15.5	33.0	
Top 0.1 Percent	40	0.1	10,374,120	10.0	3,535,650	20.5	6,838,470	7.9	34.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

* 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. Baseline is a modified form of current law with a 7.5 percent of AGI threshold for deductible medical expenses under both the regular and alternative minimum tax (AMT). Proposal would further reduce the threshold to 5.8 percent under both the regular tax and AMT.

<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

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(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.