

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

**Table T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut		With Tax Increase					Change (%) Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	0.4	-340	0.3	460	0.0	0.0	0	0.0	4.2
Second Quintile	1.7	-610	1.3	650	0.0	0.2	*	0.0	8.7
Middle Quintile	4.3	-650	2.0	600	0.0	1.3	-20	0.0	13.4
Fourth Quintile	6.6	-660	3.1	520	0.0	1.9	-30	0.0	16.6
Top Quintile	10.2	-18,760	9.2	2,300	0.6	97.7	-1,700	-0.5	23.2
All	3.8	-7,320	2.6	1,510	0.3	100.0	-240	-0.3	18.4
<b>Addendum</b>									
80-90	3.2	-440	6.0	560	0.0	-0.6	20	0.0	19.4
90-95	3.6	-770	7.7	960	0.0	-0.7	50	0.0	21.0
95-99	26.1	-5,410	17.6	2,380	0.3	11.0	-990	-0.2	23.1
Top 1 Percent	56.3	-61,330	16.8	12,010	2.0	88.0	-32,500	-1.4	27.8
Top 0.1 Percent	62.4	-269,650	22.0	46,780	2.1	43.4	-157,850	-1.5	28.4

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

Number of AMT Taxpayers (millions). Baseline: 0

Proposal: 0

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$25,000; 40% \$48,600; 60% \$86,100; 80% \$149,400; 90% \$216,800; 95% \$307,900; 99% \$732,800; 99.9% \$3,439,900.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.4	0.3	0.0	0.0	0	0.0	0.0	1.0	0.0	4.2
Second Quintile	1.7	1.3	0.0	0.2	*	-0.1	0.1	4.1	0.0	8.7
Middle Quintile	4.3	2.0	0.0	1.3	-20	-0.2	0.1	10.4	0.0	13.4
Fourth Quintile	6.6	3.1	0.0	1.9	-30	-0.1	0.2	18.7	0.0	16.6
Top Quintile	10.2	9.2	0.6	97.7	-1,700	-2.1	-0.5	65.7	-0.5	23.2
All	3.8	2.6	0.3	100.0	-240	-1.4	0.0	100.0	-0.3	18.4
<b>Addendum</b>										
80-90	3.2	6.0	0.0	-0.6	20	0.1	0.2	14.8	0.0	19.4
90-95	3.6	7.7	0.0	-0.7	50	0.1	0.2	11.0	0.0	21.0
95-99	26.1	17.6	0.3	11.0	-990	-1.0	0.1	15.9	-0.2	23.1
Top 1 Percent	56.3	16.8	2.0	88.0	-32,500	-4.9	-0.9	24.0	-1.4	27.8
Top 0.1 Percent	62.4	22.0	2.1	43.4	-157,850	-5.0	-0.4	11.7	-1.5	28.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2018 <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	48,780	27.7	14,600	4.4	610	1.0	13,980	5.2	4.2	
Second Quintile	38,760	22.0	36,370	8.7	3,160	4.1	33,220	9.8	8.7	
Middle Quintile	34,290	19.5	66,960	14.2	9,010	10.2	57,960	15.1	13.5	
Fourth Quintile	28,870	16.4	115,950	20.7	19,320	18.5	96,630	21.2	16.7	
Top Quintile	24,300	13.8	347,920	52.2	82,230	66.1	265,700	49.0	23.6	
All	176,100	100.0	91,930	100.0	17,160	100.0	74,770	100.0	18.7	
<b>Addendum</b>										
80-90	12,490	7.1	182,130	14.1	35,250	14.6	146,880	13.9	19.4	
90-95	6,020	3.4	259,830	9.7	54,400	10.8	205,440	9.4	20.9	
95-99	4,650	2.6	440,180	12.7	102,840	15.8	337,330	11.9	23.4	
Top 1 Percent	1,140	0.7	2,250,600	15.9	658,940	24.9	1,591,650	13.8	29.3	
Top 0.1 Percent	120	0.1	10,609,590	7.6	3,172,140	12.2	7,437,450	6.5	29.9	

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

Number of AMT Taxpayers (millions). Baseline: 0 Proposal: 0

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$25,000; 40% \$48,600; 60% \$86,100; 80% \$149,400; 90% \$216,800; 95% \$307,900; 99% \$732,800; 99.9% \$3,439,900.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	0.6	0.0	-0.3	*	2.8	0.0	0.2	0.0	0.9
Second Quintile	1.2	1.4	0.0	-0.4	*	0.2	0.1	3.0	0.0	7.4
Middle Quintile	5.0	1.4	0.1	2.4	-30	-0.4	0.1	8.5	-0.1	12.3
Fourth Quintile	5.5	3.0	0.0	1.5	-20	-0.1	0.2	17.7	0.0	16.0
Top Quintile	8.5	7.4	0.6	97.9	-1,330	-1.9	-0.4	70.6	-0.5	23.0
All	3.8	2.6	0.3	100.0	-240	-1.4	0.0	100.0	-0.3	18.4
<b>Addendum</b>										
80-90	2.8	4.6	0.0	-0.5	10	0.0	0.2	15.9	0.0	19.2
90-95	3.5	6.1	0.0	-0.6	30	0.1	0.2	12.2	0.0	21.0
95-99	19.8	14.6	0.2	9.4	-660	-0.8	0.1	17.4	-0.2	22.9
Top 1 Percent	52.9	17.1	2.0	89.5	-27,170	-4.8	-0.9	25.0	-1.4	27.7
Top 0.1 Percent	63.1	21.4	2.2	45.8	-139,600	-5.0	-0.5	12.2	-1.5	28.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	39,180	22.3	13,630	3.3	120	0.2	13,510	4.0	0.9	
Second Quintile	37,020	21.0	32,000	7.3	2,370	2.9	29,630	8.3	7.4	
Middle Quintile	35,060	19.9	58,430	12.7	7,230	8.4	51,200	13.6	12.4	
Fourth Quintile	32,600	18.5	100,930	20.3	16,160	17.4	84,760	21.0	16.0	
Top Quintile	31,130	17.7	294,310	56.6	68,870	70.9	225,440	53.3	23.4	
All	176,100	100.0	91,930	100.0	17,160	100.0	74,770	100.0	18.7	
<b>Addendum</b>										
80-90	15,920	9.0	155,450	15.3	29,830	15.7	125,620	15.2	19.2	
90-95	7,840	4.5	221,670	10.7	46,520	12.1	175,150	10.4	21.0	
95-99	5,990	3.4	376,890	13.9	87,080	17.3	289,820	13.2	23.1	
Top 1 Percent	1,390	0.8	1,940,660	16.6	564,120	25.9	1,376,540	14.5	29.1	
Top 0.1 Percent	140	0.1	9,276,300	7.9	2,778,150	12.7	6,498,160	6.8	30.0	

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

Number of AMT Taxpayers (millions). Baseline: 0 Proposal: 0

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	0.2	0.0	0.1	0	0.0	0.0	2.3	0.0	6.0
Second Quintile	1.1	0.5	0.0	1.7	*	-0.2	0.0	6.5	0.0	8.4
Middle Quintile	3.1	0.9	0.0	5.7	-10	-0.2	0.1	14.2	0.0	13.1
Fourth Quintile	2.1	2.0	0.0	-0.2	*	0.0	0.1	21.8	0.0	17.2
Top Quintile	4.3	5.3	0.3	94.8	-430	-1.0	-0.2	55.0	-0.2	23.4
All	1.7	1.2	0.1	100.0	-50	-0.6	0.0	100.0	-0.1	17.1
<b>Addendum</b>										
80-90	1.9	3.4	0.0	-1.0	10	0.0	0.1	16.6	0.0	20.4
90-95	2.1	4.3	0.0	-0.7	10	0.0	0.1	11.0	0.0	21.8
95-99	9.6	11.2	0.0	0.7	-20	0.0	0.1	12.3	0.0	23.2
Top 1 Percent	40.0	16.4	1.6	95.8	-14,350	-3.6	-0.5	15.1	-1.1	29.9
Top 0.1 Percent	59.5	19.9	2.1	57.7	-83,930	-4.4	-0.3	7.3	-1.4	31.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	26,620	29.6	10,700	6.6	650	2.3	10,060	7.5	6.1	
Second Quintile	22,430	24.9	25,270	13.1	2,140	6.5	23,130	14.5	8.5	
Middle Quintile	17,990	20.0	44,230	18.4	5,810	14.1	38,420	19.3	13.1	
Fourth Quintile	12,850	14.3	72,790	21.7	12,500	21.7	60,280	21.7	17.2	
Top Quintile	9,550	10.6	181,610	40.1	42,850	55.2	138,760	37.0	23.6	
All	90,040	100.0	47,960	100.0	8,230	100.0	39,730	100.0	17.2	
<b>Addendum</b>										
80-90	5,380	6.0	111,500	13.9	22,690	16.5	88,810	13.4	20.4	
90-95	2,360	2.6	157,050	8.6	34,240	10.9	122,810	8.1	21.8	
95-99	1,520	1.7	258,310	9.1	59,990	12.3	198,330	8.4	23.2	
Top 1 Percent	290	0.3	1,292,820	8.6	401,160	15.5	891,660	7.2	31.0	
Top 0.1 Percent	30	0.0	5,871,560	4.0	1,909,930	7.6	3,961,630	3.3	32.5	

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

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	1.9	-0.1	-0.3	20	-10.4	0.0	0.0	0.1	-0.7
Second Quintile	2.0	4.1	-0.1	-0.4	20	0.7	0.0	1.1	0.1	7.1
Middle Quintile	8.7	2.2	0.1	1.9	-60	-0.6	0.1	5.1	-0.1	11.6
Fourth Quintile	8.8	3.7	0.0	1.8	-40	-0.2	0.2	15.3	0.0	15.3
Top Quintile	10.8	8.5	0.6	97.9	-1,730	-2.1	-0.3	78.4	-0.5	22.8
All	7.9	4.9	0.4	100.0	-590	-1.7	0.0	100.0	-0.3	19.7
<b>Addendum</b>										
80-90	3.5	5.2	0.0	-0.4	10	0.0	0.3	16.0	0.0	18.7
90-95	4.3	6.7	0.0	-0.6	40	0.1	0.2	13.2	0.0	20.8
95-99	23.5	15.9	0.3	10.7	-890	-0.9	0.2	20.3	-0.2	22.9
Top 1 Percent	56.2	17.4	2.0	88.1	-29,690	-5.0	-1.0	28.9	-1.5	27.3
Top 0.1 Percent	63.9	22.1	2.2	42.5	-151,580	-5.2	-0.5	13.5	-1.5	28.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	4,940	8.3	20,510	1.0	-170	0.0	20,680	1.3	-0.8	
Second Quintile	6,900	11.6	45,500	3.1	3,190	1.1	42,300	3.6	7.0	
Middle Quintile	11,360	19.0	77,740	8.7	9,060	5.0	68,670	9.6	11.7	
Fourth Quintile	16,300	27.3	123,430	19.7	18,930	15.1	104,500	20.9	15.3	
Top Quintile	19,780	33.2	349,730	67.8	81,450	78.7	268,290	65.1	23.3	
All	59,680	100.0	170,910	100.0	34,300	100.0	136,610	100.0	20.1	
<b>Addendum</b>										
80-90	9,500	15.9	181,610	16.9	33,910	15.7	147,700	17.2	18.7	
90-95	5,020	8.4	254,180	12.5	52,750	12.9	201,430	12.4	20.8	
95-99	4,230	7.1	422,820	17.5	97,500	20.2	325,320	16.9	23.1	
Top 1 Percent	1,040	1.7	2,054,280	20.9	590,280	29.9	1,464,000	18.6	28.7	
Top 0.1 Percent	100	0.2	9,902,920	9.5	2,924,800	14.0	6,978,110	8.4	29.5	

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

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	1.0	0.0	-4.6	10	-0.4	0.0	-7.5	0.0	-8.6
Second Quintile	0.7	1.6	0.0	-8.2	10	0.6	0.1	9.4	0.0	5.4
Middle Quintile	3.6	1.3	0.0	8.6	-20	-0.2	0.1	24.1	0.0	12.0
Fourth Quintile	3.4	3.1	0.0	-0.1	*	0.0	0.2	28.7	0.0	16.5
Top Quintile	3.6	6.2	0.4	104.9	-860	-1.4	-0.4	45.2	-0.3	23.1
All	1.6	1.8	0.1	100.0	-40	-0.6	0.0	100.0	-0.1	12.0
<b>Addendum</b>										
80-90	0.8	4.2	0.0	-0.4	10	0.0	0.1	14.4	0.0	20.1
90-95	0.4	7.8	0.0	-2.2	70	0.2	0.1	8.8	0.0	20.9
95-99	16.0	11.3	0.2	7.2	-540	-0.7	0.0	6.9	-0.2	23.2
Top 1 Percent	55.1	17.3	1.7	100.4	-35,290	-4.0	-0.5	15.1	-1.2	29.0
Top 0.1 Percent	61.4	20.1	1.5	55.4	-170,040	-3.2	-0.3	10.5	-1.0	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	7,240	31.1	19,740	10.5	-1,700	-7.5	21,440	12.9	-8.6	
Second Quintile	7,100	30.5	40,380	21.0	2,160	9.3	38,220	22.6	5.4	
Middle Quintile	4,900	21.1	67,110	24.1	8,070	24.0	59,040	24.1	12.0	
Fourth Quintile	2,730	11.8	104,730	21.0	17,220	28.5	87,500	19.9	16.5	
Top Quintile	1,250	5.4	255,750	23.5	59,970	45.6	195,780	20.4	23.5	
All	23,270	100.0	58,680	100.0	7,090	100.0	51,590	100.0	12.1	
<b>Addendum</b>										
80-90	760	3.3	154,240	8.6	31,040	14.3	123,200	7.8	20.1	
90-95	330	1.4	212,090	5.1	44,140	8.8	167,950	4.6	20.8	
95-99	140	0.6	354,670	3.6	82,750	6.9	271,920	3.1	23.3	
Top 1 Percent	30	0.1	2,924,730	6.3	884,180	15.6	2,040,560	5.0	30.2	
Top 0.1 Percent	*	0.0	16,886,040	4.1	5,304,620	10.8	11,581,420	3.2	31.4	

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

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

(1) Calendar year. Baseline is current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	1.4	-0.1	-0.7	10	-0.7	0.0	-1.5	0.1	-7.9
Second Quintile	1.0	3.3	-0.1	-1.4	20	0.9	0.1	2.4	0.1	5.8
Middle Quintile	7.2	2.1	0.1	2.2	-40	-0.4	0.1	8.8	-0.1	12.7
Fourth Quintile	6.7	5.3	0.0	0.7	-10	-0.1	0.3	18.3	0.0	16.6
Top Quintile	11.0	10.3	0.7	100.1	-2,120	-2.2	-0.5	71.9	-0.5	23.6
All	4.9	4.3	0.4	100.0	-380	-1.6	0.0	100.0	-0.3	18.4
<b>Addendum</b>										
80-90	1.8	6.5	0.0	-0.7	30	0.1	0.3	15.5	0.0	19.7
90-95	5.1	10.0	0.0	-0.8	60	0.1	0.2	11.9	0.0	21.4
95-99	30.7	19.1	0.4	15.1	-1,620	-1.4	0.0	17.8	-0.3	23.9
Top 1 Percent	55.5	15.4	2.1	86.5	-36,380	-5.0	-1.0	26.7	-1.5	27.8
Top 0.1 Percent	60.6	21.9	1.9	36.9	-153,590	-4.5	-0.4	12.7	-1.3	28.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	11,400	21.3	20,690	3.5	-1,640	-1.5	22,330	4.6	-7.9	
Second Quintile	11,420	21.4	44,460	7.5	2,550	2.3	41,910	8.7	5.7	
Middle Quintile	10,780	20.2	80,050	12.8	10,180	8.7	69,870	13.7	12.7	
Fourth Quintile	10,130	19.0	135,440	20.3	22,490	18.0	112,950	20.9	16.6	
Top Quintile	9,470	17.7	400,530	56.2	96,520	72.3	304,010	52.5	24.1	
All	53,430	100.0	126,320	100.0	23,650	100.0	102,680	100.0	18.7	
<b>Addendum</b>										
80-90	4,750	8.9	205,550	14.5	40,530	15.2	165,020	14.3	19.7	
90-95	2,380	4.5	291,900	10.3	62,330	11.7	229,570	10.0	21.4	
95-99	1,860	3.5	497,660	13.7	120,420	17.8	377,240	12.8	24.2	
Top 1 Percent	480	0.9	2,510,160	17.7	732,970	27.6	1,777,190	15.4	29.2	
Top 0.1 Percent	50	0.1	11,647,050	8.3	3,429,660	13.1	8,217,390	7.2	29.5	

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 current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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 T17-0166**  
**25-Percent Top Rate on a Broad Definition of Pass-Through Income**  
**Baseline: Current Law with AMT Repealed and 12/25/33 Percent Rate Structure**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	0.1	0.0	0.0	0	0.2	0.0	0.3	0.0	1.6
Second Quintile	0.4	0.4	0.0	0.0	0	0.0	0.0	1.5	0.0	2.4
Middle Quintile	2.8	1.5	0.0	0.9	-10	-0.3	0.1	5.3	0.0	5.8
Fourth Quintile	6.1	2.8	0.0	1.2	-10	-0.1	0.2	14.1	0.0	11.0
Top Quintile	10.8	7.4	0.6	99.9	-1,340	-2.1	-0.4	78.5	-0.5	22.1
All	3.4	2.1	0.3	100.0	-200	-1.6	0.0	100.0	-0.3	15.4
<b>Addendum</b>										
80-90	5.0	4.1	0.0	-0.2	*	0.0	0.2	14.0	0.0	15.9
90-95	5.3	6.0	0.0	-0.4	20	0.1	0.2	11.0	0.0	18.7
95-99	19.7	14.1	0.1	5.0	-330	-0.5	0.2	17.9	-0.1	21.6
Top 1 Percent	56.7	18.8	1.8	95.5	-23,850	-4.3	-1.0	35.5	-1.3	28.4
Top 0.1 Percent	65.1	24.1	2.0	54.1	-116,950	-4.4	-0.6	19.3	-1.4	29.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2018 <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	7,760	17.7	12,910	2.9	200	0.3	12,710	3.3	1.6	
Second Quintile	12,000	27.3	27,010	9.3	660	1.5	26,350	10.7	2.4	
Middle Quintile	9,540	21.7	51,560	14.1	2,990	5.2	48,570	15.7	5.8	
Fourth Quintile	7,630	17.4	90,370	19.7	9,910	13.9	80,470	20.8	11.0	
Top Quintile	6,630	15.1	287,440	54.5	64,910	78.8	222,530	50.0	22.6	
All	43,950	100.0	79,580	100.0	12,420	100.0	67,160	100.0	15.6	
<b>Addendum</b>										
80-90	3,360	7.6	140,140	13.5	22,340	13.7	117,800	13.4	15.9	
90-95	1,600	3.6	198,250	9.1	36,980	10.8	161,270	8.7	18.7	
95-99	1,320	3.0	338,490	12.7	73,590	17.7	264,900	11.8	21.7	
Top 1 Percent	360	0.8	1,893,990	19.2	561,410	36.5	1,332,580	16.0	29.6	
Top 0.1 Percent	40	0.1	8,634,630	10.1	2,641,100	19.8	5,993,530	8.3	30.6	

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 current law with the individual alternative minimum tax (AMT) repealed and individual income tax rates of 12, 25, and 33 percent rates with the 25 and 33 percent bracket thresholds the same as under current law. Proposal would implement a 25-percent top rate on qualifying pass-through income. Qualifying pass-through income would be 100 percent of Schedule C/F, partnership, and rental income; and all S corporation profits. Does not include impact of income shifting.

<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% \$17,500; 40% \$32,200; 60% \$55,400; 80% \$91,100; 90% \$130,800; 95% \$183,600; 99% \$422,500; 99.9% \$1,969,200.

(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.

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