

T17-0179

Share of Change in Corporate Income Tax Burden

By Expanded Cash Income Level, 2017

Baseline: Current Law

Expanded Cash Income Level (thousands of 2017 dollars) ¹	Share of Total (Percentage Points)			
	Tax Units	Long-Run Change in Burden		Short-Run Change in Burden ⁴
		Rate Change ²	Change in Cost	
			Recovery Provisions ³	
Less than 10	7.5	0.2	0.3	0.1
10-20	14.2	0.7	1.2	0.4
20-30	12.5	1.5	2.2	1.0
30-40	9.4	1.8	2.5	1.3
40-50	7.6	2.1	2.8	1.6
50-75	13.9	5.6	7.4	4.4
75-100	9.2	6.0	7.4	5.0
100-200	17.1	20.5	24.2	17.9
200-500	6.5	22.3	22.7	22.0
500-1,000	0.9	8.8	8.5	9.0
More than 1,000	0.4	29.9	20.0	36.5
All	100.0	100.0	100.0	100.0

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

(1) 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>.

(2) Standard long-run distribution for the baseline corporate income tax burden: 20 percent is borne by labor income, 20 percent by the normal return to all capital income and 60 percent by corporate equity income.

(3) Corporate income tax burden on the normal return: 50 percent labor; and 50 percent all capital.

(4) Corporate income tax burden on supernormal returns (corporate equity).