

Table T17-0187
Distribution of Major Tax Provisions in The Discussion Draft Version
of the Better Care Reconciliation Act (BCRA)
Includes Changes to Health Insurance Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	50,020	27.0	-0.6	-5.8	110	0.5	4.8
Second Quintile	41,920	22.6	-0.2	-3.2	70	0.1	8.9
Middle Quintile	36,530	19.7	0.2	6.9	-180	-0.2	13.7
Fourth Quintile	30,110	16.2	0.3	11.3	-350	-0.2	16.8
Top Quintile	25,670	13.8	1.0	90.6	-3,250	-0.7	25.5
All	185,420	100.0	0.5	100.0	-500	-0.4	19.8
Addendum							
80-90	13,280	7.2	0.3	7.3	-510	-0.2	19.6
90-95	6,280	3.4	0.4	6.2	-920	-0.3	21.7
95-99	4,890	2.6	0.8	17.2	-3,230	-0.6	25.0
Top 1 Percent	1,210	0.7	2.0	59.8	-45,530	-1.4	32.1
Top 0.1 Percent	120	0.1	2.5	32.9	-248,740	-1.6	32.2

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) Proposal would repeal the following ACA taxes: 3.8 percent net investment income tax; 0.9 percent additional Medicare hospital insurance tax; excise tax on employers offering inadequate health insurance coverage; excise tax on individuals without adequate health insurance; increase in the threshold for medical expense deductions; and excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The bill would also modify the premium tax credit. Analysis excludes changes to health savings accounts and medical flexible spending accounts. Analysis captures change in taxes and credits but does not include the impact of changes in premiums or the welfare impact of changes in health insurance coverage or coverage generosity. Simulations of health insurance credits calibrated to match results from Urban Institute's Health Insurance Policy Simulation Model (HIPSIM). 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 2017 dollars): 20% \$27,700; 40% \$54,100; 60% \$92,600; 80% \$154,100; 90% \$224,800; 95% \$306,100; 99% \$874,900; 99.9% \$4,930,000.

(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.