

Table T17-0295
Effective Marginal Tax Benefit of Charitable Contributions
Under Current Law and Senate Bill: The Tax Cuts and Jobs Act as Ordered Reported by the Committee on Finance
By Expanded Cash Income Percentile, 2018¹

Expanded Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Current Law			Tax Cuts and Jobs Act		
		Total Charitable Contributions (\$ billions)	Deductible Charitable Contributions (\$ billions)	Percent of Total	Marginal Tax Benefit ⁴	Marginal Tax Benefit ⁴	Change (Percentage Points)
Lowest Quintile	48,780	2.6	0.5	20.1	0.9	0.2	-0.7
Second Quintile	38,760	11.5	5.0	43.2	3.9	1.1	-2.8
Third Quintile	34,280	34.0	18.8	55.3	8.1	1.9	-6.2
Fourth Quintile	28,870	64.9	45.3	69.8	12.9	3.8	-9.1
Top Quintile	24,300	192.5	182.3	94.7	26.8	18.9	-7.9
All	176,100	305.7	251.9	82.4	20.7	13.0	-7.7
Addendum							
80-90	12,490	44.6	38.3	85.9	19.4	6.5	-12.9
90-95	6,020	29.0	26.9	92.6	23.9	10.4	-13.5
95-99	4,650	38.9	37.8	97.2	29.7	17.6	-12.2
Top 1 Percent	1,140	80.0	79.3	99.1	30.5	29.5	-1.0
Top 0.1 Percent	120	50.2	49.9	99.5	29.1	29.4	0.3

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

(1) Calendar year. Baseline is current law. Includes all provisions in the Senate version of the Tax Cuts and Jobs Act, as ordered reported by the Committee on Finance. Excludes effects of repealing the ACA's Individual Shared Responsibility Payment (i.e., individual mandate).

(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) Marginal tax benefit is calculated by adding \$1,000 to charitable contributions and recomputing tax liability.