

Table T18-0025
The Tax Cuts and Jobs Act (TCJA): All Provisions and Individual Income Tax Provisions
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018 ¹

All Provisions							
Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	48,780	27.7	0.4	1.0	-60	-0.4	3.7
Second Quintile	38,760	22.0	1.2	5.2	-380	-1.1	7.6
Middle Quintile	34,290	19.5	1.6	11.2	-930	-1.4	12.4
Fourth Quintile	28,870	16.4	1.9	18.4	-1,810	-1.6	15.8
Top Quintile	24,300	13.8	2.9	65.3	-7,640	-2.2	23.3
All	176,100	100.0	2.2	100.0	-1,610	-1.8	18.1
Addendum							
80-90	12,490	7.1	2.0	13.1	-2,970	-1.6	18.5
90-95	6,020	3.4	2.2	9.6	-4,550	-1.8	20.2
95-99	4,650	2.6	4.1	22.1	-13,480	-3.1	22.2
Top 1 Percent	1,140	0.7	3.4	20.5	-51,140	-2.3	30.3
Top 0.1 Percent	120	0.1	2.7	7.9	-193,380	-1.8	31.6

Individual Income Tax Provisions							
Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	48,780	27.7	0.3	0.9	-40	-0.3	3.8
Second Quintile	38,760	22.0	1.0	5.6	-320	-0.9	7.8
Middle Quintile	34,290	19.5	1.4	12.2	-780	-1.2	12.6
Fourth Quintile	28,870	16.4	1.6	19.4	-1,480	-1.3	16.0
Top Quintile	24,300	13.8	2.2	63.6	-5,790	-1.7	23.8
All	176,100	100.0	1.7	100.0	-1,260	-1.4	18.4
Addendum							
80-90	12,490	7.1	1.7	13.7	-2,430	-1.3	18.8
90-95	6,020	3.4	1.7	9.5	-3,500	-1.4	20.6
95-99	4,650	2.6	3.4	23.5	-11,190	-2.5	22.7
Top 1 Percent	1,140	0.7	2.2	16.8	-32,650	-1.5	31.1
Top 0.1 Percent	120	0.1	1.3	4.7	-89,060	-0.8	32.5

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

(1) Calendar year. Baseline is pre-TCJA law. All estimates exclude effects of reduction in ACA Individual Shared Responsibility Payment to zero. Estimates for the individual income tax provisions only include provisions with non-negligible revenue effects listed in JCX-67-17, Section I. Individual Tax Reform, with the exception of increase in estate tax exemption level and also includes certain other non-corporate business provisions.

<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) 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.

(5) 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.