

Table T19-0136
Tax Benefit of the Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2020 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	4.3	95.7	2.3	30.3	340	254.6	0.2	0.7	0.9	3.2
Second Quintile	9.2	90.8	1.8	49.6	660	28.4	2.8	3.6	6.0	7.8
Middle Quintile	3.1	96.9	0.4	17.3	250	2.9	9.7	9.8	12.1	12.5
Fourth Quintile	0.5	99.5	0.0	2.4	40	0.2	18.5	18.3	15.8	15.8
Top Quintile	0.1	99.9	0.0	0.3	10	0.0	68.6	67.5	22.8	22.8
All	3.9	96.1	0.4	100.0	300	1.6	100.0	100.0	17.6	17.9
Addendum										
80-90	0.1	99.9	0.0	0.3	10	0.0	15.0	14.8	18.4	18.4
90-95	*	**	0.0	0.0	*	0.0	11.2	11.0	19.8	19.8
95-99	*	**	0.0	0.0	*	0.0	16.2	16.0	22.0	22.0
Top 1 Percent	0.0	100.0	0.0	0.0	0	0.0	26.2	25.7	29.3	29.3
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	12.6	12.4	30.3	30.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1h) with health module based on coverage from Health Insurance Policy Simulation Model.

Number of AMT Taxpayers (millions). Baseline: 0.2

Proposal: 0.2

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

(1) Calendar year. Table shows the tax benefit under the law in place for 2020 as of 11/19/2019 of the Premium Tax Credit. TPC does not ordinarily include the Premium Tax Credit in its tax baseline due to its similarity to a spending program. For more information on TPC's baseline definitions, see

<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 2019 dollars): 20% \$25,800; 40% \$51,500; 60% \$92,700; 80% \$167,600; 90% \$246,000; 95% \$349,300; 99% \$831,200; 99.9% \$3,722,500.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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.