

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut		With Tax Increase					Change (% Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)					
<b>Less than 10</b>	0.0	0	0.0	0	0.0	0.0	0	0.0	4.7
<b>10-20</b>	2.5	-70	0.0	0	0.0	0.1	*	0.0	2.9
<b>20-30</b>	4.1	-170	0.0	0	0.0	0.2	-10	0.0	4.6
<b>30-40</b>	5.4	-250	0.0	0	0.0	0.3	-10	0.0	7.2
<b>40-50</b>	6.6	-290	0.0	0	0.0	0.4	-20	0.0	9.4
<b>50-75</b>	8.0	-420	0.0	0	0.1	1.2	-30	-0.1	12.7
<b>75-100</b>	12.0	-670	0.0	0	0.1	2.1	-80	-0.1	15.6
<b>100-200</b>	17.2	-1,160	0.0	0	0.2	9.6	-200	-0.1	18.6
<b>200-500</b>	24.4	-3,410	0.0	0	0.3	20.3	-830	-0.3	22.7
<b>500-1,000</b>	33.0	-13,430	0.0	0	0.8	14.9	-4,430	-0.6	27.1
<b>More than 1,000</b>	37.7	-99,570	0.0	0	1.6	51.0	-37,570	-1.1	30.7
<b>All</b>	10.4	-3,810	0.0	0	0.4	100.0	-400	-0.3	20.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

Number of AMT Taxpayers (millions). Baseline: 6.7 Proposal: 6.6

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

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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 taxes; 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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	4.7
10-20	2.5	0.0	0.0	0.1	*	-0.3	0.0	0.2	0.0	2.9
20-30	4.1	0.0	0.0	0.2	-10	-0.5	0.0	0.6	0.0	4.6
30-40	5.4	0.0	0.0	0.3	-10	-0.5	0.0	1.1	0.0	7.2
40-50	6.6	0.0	0.0	0.4	-20	-0.4	0.0	1.5	0.0	9.4
50-75	8.0	0.0	0.1	1.2	-30	-0.4	0.1	5.3	-0.1	12.7
75-100	12.0	0.0	0.1	2.1	-80	-0.5	0.1	6.3	-0.1	15.6
100-200	17.2	0.0	0.2	9.6	-200	-0.6	0.2	23.3	-0.1	18.6
200-500	24.4	0.0	0.3	20.3	-830	-1.1	0.1	28.7	-0.3	22.7
500-1,000	33.0	0.0	0.8	14.9	-4,430	-2.0	-0.1	11.1	-0.6	27.1
More than 1,000	37.7	0.0	1.6	51.0	-37,570	-3.5	-0.4	21.7	-1.1	30.7
All	10.4	0.0	0.4	100.0	-400	-1.5	0.0	100.0	-0.3	20.1

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	10,990	6.0	6,250	0.3	300	0.1	5,950	0.4	4.7
10-20	19,070	10.4	17,980	1.5	530	0.2	17,450	1.8	3.0
20-30	20,190	11.0	29,440	2.6	1,360	0.6	28,080	3.1	4.6
30-40	16,450	9.0	41,300	2.9	3,000	1.0	38,310	3.4	7.3
40-50	13,700	7.5	53,050	3.1	5,020	1.4	48,030	3.5	9.5
50-75	26,940	14.7	73,110	8.4	9,300	5.3	63,810	9.3	12.7
75-100	18,470	10.1	102,980	8.1	16,100	6.3	86,880	8.6	15.6
100-200	35,110	19.2	167,090	25.1	31,260	23.1	135,830	25.7	18.7
200-500	17,620	9.6	336,790	25.4	77,240	28.6	259,550	24.6	22.9
500-1,000	2,440	1.3	789,970	8.2	218,650	11.2	571,320	7.5	27.7
More than 1,000	980	0.5	3,377,010	14.2	1,074,140	22.2	2,302,870	12.2	31.8
All	183,320	100.0	127,370	100.0	25,970	100.0	101,390	100.0	20.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

Number of AMT Taxpayers (millions). Baseline: 6.7

Proposal: 6.6

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

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026<sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	6.8
10-20	3.3	0.0	0.0	0.3	*	-0.2	0.0	1.4	0.0	6.2
20-30	4.7	0.0	0.0	1.2	-10	-0.4	0.0	2.6	0.0	7.7
30-40	5.5	0.0	0.1	1.5	-20	-0.4	0.0	3.5	0.0	9.9
40-50	6.4	0.0	0.0	1.5	-20	-0.3	0.0	4.2	0.0	11.6
50-75	7.2	0.0	0.1	5.0	-40	-0.3	0.1	13.9	-0.1	15.3
75-100	10.5	0.0	0.1	7.4	-100	-0.5	0.1	13.4	-0.1	18.6
100-200	13.3	0.0	0.2	19.1	-220	-0.6	0.1	28.3	-0.1	21.8
200-500	20.2	0.0	0.4	17.7	-840	-1.0	0.0	15.9	-0.3	24.8
500-1,000	20.0	0.0	0.6	7.8	-3,360	-1.4	0.0	5.0	-0.4	29.6
More than 1,000	30.6	0.0	1.6	38.5	-37,920	-3.1	-0.3	11.2	-1.1	32.4
All	6.5	0.0	0.2	100.0	-120	-0.9	0.0	100.0	-0.2	18.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026<sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	8,660	9.9	6,330	0.9	430	0.3	5,890	1.0	6.8
10-20	13,910	15.9	17,850	4.1	1,110	1.4	16,740	4.7	6.2
20-30	13,160	15.1	29,290	6.3	2,260	2.6	27,030	7.2	7.7
30-40	9,620	11.0	41,250	6.5	4,080	3.5	37,170	7.2	9.9
40-50	7,750	8.9	52,980	6.7	6,150	4.2	46,830	7.3	11.6
50-75	13,940	15.9	73,000	16.7	11,200	13.8	61,810	17.4	15.3
75-100	7,880	9.0	102,400	13.2	19,150	13.3	83,250	13.2	18.7
100-200	9,230	10.6	158,370	24.0	34,680	28.2	123,690	23.0	21.9
200-500	2,220	2.5	324,670	11.8	81,260	15.9	243,410	10.9	25.0
500-1,000	250	0.3	778,070	3.1	233,520	5.1	544,550	2.7	30.0
More than 1,000	110	0.1	3,617,270	6.4	1,209,250	11.4	2,408,020	5.2	33.4
All	87,480	100.0	69,710	100.0	12,950	100.0	56,760	100.0	18.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	3.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.0
20-30	1.5	0.0	0.0	0.0	*	-0.2	0.0	0.1	0.0	1.8
30-40	4.8	0.0	0.0	0.0	-10	-0.6	0.0	0.1	0.0	2.6
40-50	7.6	0.0	0.0	0.1	-20	-0.6	0.0	0.2	0.0	4.9
50-75	11.6	0.0	0.1	0.5	-40	-0.6	0.1	1.4	-0.1	8.2
75-100	16.2	0.0	0.1	1.0	-80	-0.6	0.0	2.9	-0.1	12.3
100-200	20.4	0.0	0.1	7.8	-200	-0.7	0.2	20.5	-0.1	17.2
200-500	25.5	0.0	0.3	21.5	-840	-1.1	0.2	34.9	-0.3	22.3
500-1,000	34.7	0.0	0.8	16.7	-4,530	-2.1	-0.1	14.1	-0.6	26.8
More than 1,000	38.6	0.0	1.7	52.4	-36,310	-3.6	-0.5	25.6	-1.1	30.5
All	17.4	0.0	0.5	100.0	-850	-1.8	0.0	100.0	-0.4	21.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,450	2.2	4,880	0.1	160	0.0	4,720	0.1	3.3
10-20	2,230	3.3	18,210	0.3	190	0.0	18,020	0.4	1.0
20-30	3,060	4.5	29,780	0.6	540	0.1	29,240	0.8	1.8
30-40	3,260	4.8	41,500	0.9	1,080	0.1	40,420	1.1	2.6
40-50	2,910	4.3	53,190	1.0	2,610	0.2	50,590	1.3	4.9
50-75	7,190	10.7	73,760	3.6	6,090	1.4	67,670	4.2	8.3
75-100	7,240	10.7	103,990	5.1	12,880	2.9	91,110	5.7	12.4
100-200	22,020	32.7	172,440	25.6	29,900	20.3	142,540	27.1	17.3
200-500	14,640	21.7	340,050	33.5	76,820	34.7	263,230	33.2	22.6
500-1,000	2,120	3.1	792,030	11.3	216,730	14.1	575,300	10.5	27.4
More than 1,000	830	1.2	3,225,580	18.0	1,021,340	26.1	2,204,240	15.8	31.7
All	67,390	100.0	220,230	100.0	48,130	100.0	172,100	100.0	21.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.3	0.0	-14.3
10-20	0.2	0.0	0.0	0.0	0	0.0	0.0	-2.5	0.0	-12.8
20-30	3.6	0.0	0.0	0.6	*	0.2	0.0	-2.1	0.0	-5.0
30-40	4.6	0.0	0.0	1.3	-10	-0.6	0.0	1.6	0.0	3.0
40-50	5.1	0.0	0.0	1.8	-10	-0.3	0.0	4.1	0.0	7.2
50-75	4.5	0.0	0.0	4.4	-20	-0.2	0.1	15.5	0.0	10.9
75-100	6.6	0.0	0.0	5.6	-40	-0.2	0.1	16.3	0.0	14.6
100-200	7.2	0.0	0.1	17.5	-100	-0.3	0.1	37.3	-0.1	18.8
200-500	14.7	0.0	0.2	13.1	-420	-0.6	0.0	15.5	-0.1	22.8
500-1,000	16.6	0.0	0.6	6.6	-3,080	-1.4	0.0	3.3	-0.4	28.4
More than 1,000	35.3	0.0	1.4	49.1	-47,010	-3.0	-0.3	11.3	-0.9	30.3
All	4.7	0.0	0.1	100.0	-70	-0.7	0.0	100.0	-0.1	13.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	740	3.0	7,850	0.3	-1,120	-0.3	8,970	0.4	-14.3
10-20	2,630	10.8	18,510	2.6	-2,380	-2.5	20,890	3.4	-12.8
20-30	3,610	14.8	29,700	5.7	-1,470	-2.1	31,170	7.0	-5.0
30-40	3,190	13.1	41,220	7.0	1,250	1.6	39,970	7.9	3.0
40-50	2,660	10.9	53,070	7.6	3,850	4.0	49,220	8.1	7.3
50-75	4,920	20.2	72,560	19.1	7,950	15.4	64,610	19.6	11.0
75-100	2,770	11.4	102,300	15.1	14,950	16.3	87,350	14.9	14.6
100-200	3,180	13.0	157,450	26.7	29,720	37.1	127,720	25.1	18.9
200-500	560	2.3	305,090	9.2	69,890	15.5	235,200	8.2	22.9
500-1,000	40	0.2	772,180	1.6	222,080	3.4	550,090	1.3	28.8
More than 1,000	20	0.1	5,022,890	5.0	1,569,360	11.6	3,453,520	4.0	31.2
All	24,370	100.0	76,860	100.0	10,440	100.0	66,430	100.0	13.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-15.2
10-20	0.6	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-13.6
20-30	3.5	0.0	0.0	0.0	*	0.2	0.0	-0.4	0.0	-5.2
30-40	5.9	0.0	0.0	0.1	-10	-1.1	0.0	0.2	0.0	2.0
40-50	6.9	0.0	0.0	0.2	-10	-0.4	0.0	0.7	0.0	6.6
50-75	7.6	0.0	0.0	0.6	-30	-0.3	0.0	3.0	0.0	10.5
75-100	12.1	0.0	0.1	1.0	-70	-0.5	0.1	3.9	-0.1	13.8
100-200	18.0	0.0	0.1	7.0	-180	-0.6	0.2	20.6	-0.1	18.2
200-500	24.8	0.0	0.3	20.3	-830	-1.1	0.2	33.1	-0.2	23.1
500-1,000	29.9	0.0	0.8	16.8	-4,590	-2.0	-0.1	14.0	-0.6	27.8
More than 1,000	37.1	0.0	1.7	54.0	-36,640	-3.5	-0.5	25.5	-1.1	31.0
All	12.5	0.0	0.5	100.0	-610	-1.7	0.0	100.0	-0.4	20.9

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,170	2.1	7,700	0.1	-1,170	-0.1	8,880	0.1	-15.2
10-20	4,060	7.3	18,400	0.8	-2,500	-0.5	20,900	1.1	-13.6
20-30	5,500	9.9	29,640	1.7	-1,550	-0.4	31,190	2.3	-5.2
30-40	4,760	8.6	41,220	2.1	830	0.2	40,400	2.6	2.0
40-50	3,730	6.7	53,030	2.1	3,500	0.7	49,540	2.5	6.6
50-75	7,630	13.7	72,950	5.9	7,680	2.9	65,270	6.7	10.5
75-100	5,370	9.6	103,080	5.9	14,310	3.8	88,770	6.4	13.9
100-200	13,140	23.6	170,420	23.7	31,130	20.4	139,290	24.6	18.3
200-500	8,360	15.0	339,160	30.0	79,020	32.9	260,140	29.3	23.3
500-1,000	1,250	2.3	791,160	10.5	224,710	14.0	566,450	9.5	28.4
More than 1,000	500	0.9	3,216,990	17.2	1,034,500	26.0	2,182,490	14.8	32.2
All	55,700	100.0	169,420	100.0	36,040	100.0	133,380	100.0	21.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

Note: Tax units with children are those claiming an exemption for children at home or away from home or with children qualifying for the Child Tax Credit or EITC.

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.

**Table T20-0222**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2026 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.8
10-20	0.7	0.0	0.0	0.0	0	-0.2	0.0	0.1	0.0	1.3
20-30	0.9	0.0	0.0	0.1	*	-0.3	0.0	0.4	0.0	2.2
30-40	2.2	0.0	0.0	0.1	*	-0.4	0.0	0.7	0.0	2.9
40-50	4.8	0.0	0.0	0.3	-10	-0.4	0.0	1.1	0.0	4.1
50-75	8.2	0.0	0.0	1.4	-30	-0.6	0.1	4.6	0.0	6.9
75-100	14.6	0.0	0.1	2.8	-90	-0.9	0.1	6.2	-0.1	10.3
100-200	21.5	0.0	0.2	13.6	-280	-1.2	0.2	22.5	-0.2	14.7
200-500	31.2	0.0	0.4	21.3	-1,150	-1.6	0.1	25.0	-0.3	20.4
500-1,000	40.7	0.0	0.7	11.5	-4,300	-2.1	0.0	10.4	-0.6	25.4
More than 1,000	39.9	0.0	1.5	49.0	-38,270	-3.2	-0.4	28.7	-1.0	30.4
All	10.4	0.0	0.4	100.0	-370	-1.9	0.0	100.0	-0.3	16.2

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2026 <sup>1</sup>**

Expanded Cash Income Level (thousands of 2019 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,810	3.6	5,250	0.2	90	0.0	5,160	0.2	1.8
10-20	4,420	8.8	18,490	1.4	240	0.1	18,250	1.7	1.3
20-30	6,070	12.1	29,500	3.1	640	0.4	28,870	3.6	2.2
30-40	5,290	10.5	41,360	3.7	1,190	0.7	40,180	4.4	2.9
40-50	4,890	9.7	53,120	4.4	2,200	1.1	50,920	5.1	4.1
50-75	8,700	17.3	73,010	10.8	5,060	4.6	67,960	12.1	6.9
75-100	5,490	10.9	103,450	9.7	10,730	6.1	92,720	10.4	10.4
100-200	8,820	17.6	164,450	24.8	24,470	22.3	139,980	25.3	14.9
200-500	3,430	6.8	338,830	19.8	70,260	24.9	268,570	18.8	20.7
500-1,000	490	1.0	785,860	6.6	204,240	10.4	581,620	5.9	26.0
More than 1,000	240	0.5	3,797,880	15.3	1,191,660	29.0	2,606,220	12.6	31.4
All	50,250	100.0	116,540	100.0	19,230	100.0	97,310	100.0	16.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is the law currently in place for 2026 as of March 17, 2020. Proposal would make the Sec199A deduction for qualified business income permanent. Does not include any potential effect on payroll tax burden. Does not include any behavioral effects of individuals shifting income from wages and salaries to pass-through income, or from C corporation income to pass-through income.

<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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(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.