

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

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2030 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</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>Lowest Quintile</b>	2.9	-140	0.0	0	0.0	0.2	*	0.0	3.8
<b>Second Quintile</b>	6.4	-330	0.0	0	0.0	1.0	-20	0.0	9.1
<b>Middle Quintile</b>	10.4	-670	0.0	0	0.1	3.3	-70	-0.1	14.6
<b>Fourth Quintile</b>	16.4	-1,210	0.0	0	0.1	7.6	-200	-0.1	18.2
<b>Top Quintile</b>	24.9	-11,050	0.0	0	0.7	87.9	-2,760	-0.5	25.2
<b>All</b>	10.7	-4,180	0.0	0	0.4	100.0	-450	-0.3	20.0
<b>Addendum</b>									
<b>80-90</b>	21.6	-2,190	0.0	0	0.2	7.8	-470	-0.2	21.0
<b>90-95</b>	24.9	-3,870	0.0	0	0.3	7.6	-960	-0.2	22.5
<b>95-99</b>	31.2	-10,240	0.0	0	0.6	19.2	-3,200	-0.5	26.0
<b>Top 1 Percent</b>	36.9	-99,130	0.0	0	1.6	53.2	-36,550	-1.1	30.3
<b>Top 0.1 Percent</b>	44.0	-407,520	0.0	0	1.8	26.8	-179,340	-1.2	30.4

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

Number of AMT Taxpayers (millions). Baseline: 7.6

Proposal: 7.5

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

(1) Calendar year. Baseline is the law currently in place for 2030 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) 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% \$30,200; 40% \$59,200; 60% \$103,500; 80% \$183,200; 90% \$264,000; 95% \$382,500; 99% \$915,400; 99.9% \$4,199,600.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2030 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.9	0.0	0.0	0.2	*	-0.5	0.0	0.7	0.0	3.8
Second Quintile	6.4	0.0	0.0	1.0	-20	-0.4	0.0	3.9	0.0	9.1
Middle Quintile	10.4	0.0	0.1	3.3	-70	-0.5	0.1	10.7	-0.1	14.6
Fourth Quintile	16.4	0.0	0.1	7.6	-200	-0.6	0.2	19.0	-0.1	18.2
Top Quintile	24.9	0.0	0.7	87.9	-2,760	-2.0	-0.3	65.4	-0.5	25.2
All	10.7	0.0	0.4	100.0	-450	-1.5	0.0	100.0	-0.3	20.0
<b>Addendum</b>										
80-90	21.6	0.0	0.2	7.8	-470	-0.8	0.1	15.0	-0.2	21.0
90-95	24.9	0.0	0.3	7.6	-960	-1.0	0.1	11.0	-0.2	22.5
95-99	31.2	0.0	0.6	19.2	-3,200	-1.7	0.0	16.8	-0.5	26.0
Top 1 Percent	36.9	0.0	1.6	53.2	-36,550	-3.5	-0.5	22.6	-1.1	30.3
Top 0.1 Percent	44.0	0.0	1.8	26.8	-179,340	-3.8	-0.3	10.4	-1.2	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	47,590	25.2	22,400	3.9	860	0.7	21,530	4.7	3.9	
Second Quintile	41,540	22.0	57,090	8.6	5,240	3.9	51,850	9.8	9.2	
Middle Quintile	39,220	20.8	102,970	14.7	15,090	10.6	87,880	15.7	14.7	
Fourth Quintile	32,110	17.0	179,130	20.9	32,860	18.9	146,270	21.4	18.3	
Top Quintile	26,810	14.2	533,460	51.9	137,180	65.8	396,280	48.4	25.7	
All	188,700	100.0	146,060	100.0	29,640	100.0	116,420	100.0	20.3	
<b>Addendum</b>										
80-90	13,910	7.4	282,740	14.3	59,760	14.9	222,980	14.1	21.1	
90-95	6,620	3.5	405,500	9.7	92,380	10.9	313,120	9.4	22.8	
95-99	5,060	2.7	704,830	12.9	186,600	16.9	518,230	11.9	26.5	
Top 1 Percent	1,220	0.7	3,365,530	15.0	1,054,770	23.1	2,310,760	12.9	31.3	
Top 0.1 Percent	130	0.1	15,023,410	6.9	4,751,700	10.7	10,271,710	5.9	31.6	

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

Number of AMT Taxpayers (millions). Baseline: 7.6 Proposal: 7.5

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

(1) Calendar year. Baseline is the law currently in place for 2030 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

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(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% \$30,200; 40% \$59,200; 60% \$103,500; 80% \$183,200; 90% \$264,000; 95% \$382,500; 99% \$915,400; 99.9% \$4,199,600.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.6	0.0	0.0	0.1	*	-0.8	0.0	0.2	0.0	1.2
Second Quintile	6.2	0.0	0.0	0.9	-20	-0.4	0.0	3.0	0.0	8.3
Middle Quintile	10.1	0.0	0.1	2.5	-60	-0.5	0.1	8.6	-0.1	13.2
Fourth Quintile	14.4	0.0	0.1	7.0	-160	-0.6	0.2	18.2	-0.1	17.7
Top Quintile	22.0	0.0	0.7	89.5	-2,200	-1.9	-0.3	69.9	-0.5	24.9
All	10.7	0.0	0.4	100.0	-450	-1.5	0.0	100.0	-0.3	20.0
<b>Addendum</b>										
80-90	18.4	0.0	0.2	7.7	-370	-0.7	0.1	16.1	-0.2	20.8
90-95	22.0	0.0	0.3	8.2	-800	-1.0	0.1	12.3	-0.2	22.6
95-99	28.9	0.0	0.6	19.4	-2,550	-1.6	0.0	17.9	-0.4	25.4
Top 1 Percent	34.7	0.0	1.5	54.2	-29,870	-3.4	-0.5	23.7	-1.1	30.0
Top 0.1 Percent	42.9	0.0	1.7	27.9	-156,860	-3.8	-0.3	10.9	-1.2	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	38,910	20.6	21,020	3.0	260	0.2	20,760	3.7	1.3	
Second Quintile	38,950	20.6	50,950	7.2	4,220	2.9	46,730	8.3	8.3	
Middle Quintile	39,000	20.7	91,810	13.0	12,130	8.5	79,690	14.2	13.2	
Fourth Quintile	36,240	19.2	156,230	20.5	27,820	18.0	128,420	21.2	17.8	
Top Quintile	34,150	18.1	453,400	56.2	115,010	70.2	338,390	52.6	25.4	
All	188,700	100.0	146,060	100.0	29,640	100.0	116,420	100.0	20.3	
<b>Addendum</b>										
80-90	17,610	9.3	241,650	15.4	50,600	15.9	191,050	15.3	20.9	
90-95	8,620	4.6	348,050	10.9	79,290	12.2	268,760	10.5	22.8	
95-99	6,400	3.4	605,520	14.1	156,550	17.9	448,980	13.1	25.9	
Top 1 Percent	1,530	0.8	2,853,520	15.8	885,630	24.2	1,967,890	13.7	31.0	
Top 0.1 Percent	150	0.1	13,209,450	7.2	4,174,000	11.2	9,035,450	6.2	31.6	

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

Number of AMT Taxpayers (millions). Baseline: 7.6 Proposal: 7.5

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

(1) Calendar year. Baseline is the law currently in place for 2030 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.

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(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

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(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.7	0.0	0.0	0.4	*	-0.3	0.0	1.5	0.0	5.5
Second Quintile	5.0	0.0	0.0	2.3	-10	-0.4	0.0	5.4	0.0	8.5
Middle Quintile	6.8	0.0	0.1	5.1	-30	-0.4	0.1	13.6	-0.1	13.2
Fourth Quintile	9.4	0.0	0.1	11.4	-100	-0.5	0.1	23.5	-0.1	18.4
Top Quintile	15.8	0.0	0.5	80.8	-970	-1.4	-0.2	55.9	-0.3	24.7
All	6.8	0.0	0.2	100.0	-140	-0.9	0.0	100.0	-0.2	18.3
<b>Addendum</b>										
80-90	13.4	0.0	0.2	11.0	-230	-0.6	0.1	17.0	-0.1	21.7
90-95	17.4	0.0	0.3	10.3	-500	-0.9	0.0	11.3	-0.2	22.8
95-99	20.5	0.0	0.4	14.5	-1,140	-1.1	0.0	12.3	-0.3	25.0
Top 1 Percent	22.8	0.0	1.3	45.1	-16,770	-2.7	-0.3	15.3	-0.9	31.2
Top 0.1 Percent	37.7	0.0	1.8	27.4	-109,040	-3.6	-0.2	7.0	-1.2	31.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	22,750	25.4	16,180	5.0	890	1.5	15,290	5.8	5.5	
Second Quintile	21,160	23.6	39,800	11.5	3,400	5.3	36,400	12.9	8.6	
Middle Quintile	19,420	21.6	70,680	18.7	9,390	13.5	61,290	19.9	13.3	
Fourth Quintile	14,960	16.7	114,240	23.3	21,130	23.4	93,110	23.2	18.5	
Top Quintile	10,650	11.9	284,740	41.3	71,310	56.1	213,430	37.9	25.0	
All	89,740	100.0	81,840	100.0	15,080	100.0	66,760	100.0	18.4	
<b>Addendum</b>										
80-90	6,030	6.7	174,930	14.4	38,100	17.0	136,820	13.8	21.8	
90-95	2,650	3.0	249,590	9.0	57,470	11.3	192,110	8.5	23.0	
95-99	1,620	1.8	406,180	9.0	102,860	12.3	303,310	8.2	25.3	
Top 1 Percent	340	0.4	1,910,030	8.9	611,810	15.5	1,298,220	7.5	32.0	
Top 0.1 Percent	30	0.0	9,216,910	4.0	3,017,670	7.2	6,199,240	3.3	32.7	

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 2030 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.2	0.0	0.0	0.0	*	-0.6	0.0	0.1	0.0	1.3
Second Quintile	8.9	0.0	0.0	0.4	-30	-0.6	0.0	1.3	0.0	7.5
Middle Quintile	16.4	0.0	0.1	1.9	-90	-0.6	0.1	5.3	-0.1	12.6
Fourth Quintile	20.3	0.0	0.2	6.3	-240	-0.7	0.2	15.5	-0.1	17.1
Top Quintile	25.8	0.0	0.7	91.4	-2,800	-2.1	-0.2	77.7	-0.5	24.9
All	17.7	0.0	0.5	100.0	-950	-1.7	0.0	100.0	-0.4	21.4
<b>Addendum</b>										
80-90	22.1	0.0	0.2	7.3	-460	-0.8	0.2	16.1	-0.2	20.4
90-95	24.7	0.0	0.3	8.1	-970	-1.1	0.1	13.3	-0.2	22.4
95-99	32.5	0.0	0.6	21.1	-3,080	-1.7	0.0	21.2	-0.5	25.5
Top 1 Percent	38.2	0.0	1.6	55.0	-33,000	-3.5	-0.5	27.1	-1.1	29.9
Top 0.1 Percent	44.5	0.0	1.8	26.5	-168,770	-3.8	-0.3	11.9	-1.2	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,380	10.7	27,240	1.2	370	0.1	26,870	1.5	1.3	
Second Quintile	9,330	13.5	67,120	3.6	5,030	1.2	62,080	4.3	7.5	
Middle Quintile	13,170	19.0	119,330	9.1	15,090	5.3	104,240	10.1	12.7	
Fourth Quintile	17,410	25.2	193,210	19.4	33,240	15.3	159,970	20.5	17.2	
Top Quintile	21,480	31.0	538,890	66.7	136,920	77.9	401,970	63.6	25.4	
All	69,240	100.0	250,500	100.0	54,500	100.0	196,000	100.0	21.8	
<b>Addendum</b>										
80-90	10,370	15.0	282,700	16.9	58,120	16.0	224,580	17.2	20.6	
90-95	5,500	8.0	399,260	12.7	90,510	13.2	308,750	12.5	22.7	
95-99	4,510	6.5	684,380	17.8	177,660	21.2	506,720	16.8	26.0	
Top 1 Percent	1,100	1.6	3,065,890	19.4	948,140	27.5	2,117,760	17.1	30.9	
Top 0.1 Percent	100	0.2	14,048,920	8.4	4,440,580	12.2	9,608,340	7.3	31.6	

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 2030 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	2.5	0.0	0.0	0.8	*	0.1	0.0	-4.6	0.0	-5.8
Second Quintile	5.4	0.0	0.0	5.7	-20	-0.3	0.1	13.4	0.0	8.3
Middle Quintile	5.6	0.0	0.0	7.9	-30	-0.2	0.1	24.5	0.0	13.8
Fourth Quintile	8.0	0.0	0.1	11.0	-80	-0.3	0.1	28.9	-0.1	18.8
Top Quintile	12.7	0.0	0.4	74.6	-1,260	-1.4	-0.3	37.7	-0.3	24.0
All	5.1	0.0	0.1	100.0	-80	-0.7	0.0	100.0	-0.1	13.7
<b>Addendum</b>										
80-90	10.7	0.0	0.1	9.6	-250	-0.5	0.0	13.8	-0.1	21.0
90-95	14.4	0.0	0.2	5.0	-370	-0.5	0.0	7.0	-0.1	22.6
95-99	18.4	0.0	0.5	10.7	-1,910	-1.3	0.0	5.5	-0.3	24.9
Top 1 Percent	29.3	0.0	1.3	49.3	-36,430	-2.9	-0.3	11.4	-0.9	29.8
Top 0.1 Percent	46.0	0.0	1.4	32.0	-214,730	-3.1	-0.2	7.0	-1.0	29.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	8,210	32.7	29,020	10.9	-1,680	-4.6	30,700	13.4	-5.8	
Second Quintile	7,710	30.7	62,560	22.1	5,240	13.4	57,330	23.4	8.4	
Middle Quintile	5,080	20.2	104,730	24.3	14,460	24.4	90,270	24.3	13.8	
Fourth Quintile	2,830	11.3	163,220	21.1	30,700	28.8	132,520	19.9	18.8	
Top Quintile	1,240	4.9	378,950	21.5	92,240	38.0	286,710	18.9	24.3	
All	25,120	100.0	87,080	100.0	12,010	100.0	75,080	100.0	13.8	
<b>Addendum</b>										
80-90	820	3.3	241,150	9.0	50,900	13.8	190,250	8.2	21.1	
90-95	280	1.1	330,660	4.2	74,980	7.0	255,680	3.8	22.7	
95-99	120	0.5	569,270	3.1	143,440	5.6	425,830	2.7	25.2	
Top 1 Percent	30	0.1	4,025,740	5.2	1,237,830	11.7	2,787,920	4.2	30.8	
Top 0.1 Percent	*	0.0	22,670,880	3.2	6,959,460	7.2	15,711,420	2.6	30.7	

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 2030 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	3.2	0.0	0.0	0.1	*	0.2	0.0	-0.9	0.0	-5.4
Second Quintile	8.4	0.0	0.0	0.8	-30	-0.4	0.0	3.2	0.0	8.9
Middle Quintile	13.1	0.0	0.1	2.5	-90	-0.5	0.1	8.7	-0.1	14.6
Fourth Quintile	19.1	0.0	0.2	7.4	-280	-0.7	0.2	18.6	-0.1	19.2
Top Quintile	25.0	0.0	0.8	89.3	-3,590	-2.1	-0.3	70.3	-0.6	26.4
All	12.9	0.0	0.5	100.0	-690	-1.7	0.0	100.0	-0.4	21.0
<b>Addendum</b>										
80-90	22.2	0.0	0.2	6.9	-550	-0.8	0.1	15.0	-0.2	21.9
90-95	24.6	0.0	0.4	8.2	-1,370	-1.2	0.1	11.5	-0.3	24.3
95-99	29.1	0.0	0.7	20.2	-3,970	-1.8	0.0	19.0	-0.5	27.5
Top 1 Percent	37.3	0.0	1.7	53.9	-42,250	-3.6	-0.5	24.7	-1.1	30.7
Top 0.1 Percent	44.5	0.0	1.7	24.4	-191,260	-3.7	-0.2	10.8	-1.2	30.4

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	13,460	23.4	29,970	3.7	-1,610	-0.9	31,580	4.9	-5.4	
Second Quintile	12,430	21.6	68,140	7.7	6,070	3.2	62,070	8.9	8.9	
Middle Quintile	11,040	19.2	125,300	12.5	18,410	8.6	106,890	13.6	14.7	
Fourth Quintile	10,630	18.4	212,270	20.4	40,920	18.4	171,350	20.9	19.3	
Top Quintile	9,840	17.1	626,490	55.8	169,200	70.6	457,290	51.8	27.0	
All	57,630	100.0	191,860	100.0	40,950	100.0	150,910	100.0	21.4	
<b>Addendum</b>										
80-90	4,960	8.6	320,490	14.4	70,700	14.9	249,790	14.2	22.1	
90-95	2,370	4.1	464,260	10.0	113,940	11.5	350,310	9.6	24.5	
95-99	2,010	3.5	799,570	14.5	223,740	19.0	575,840	13.3	28.0	
Top 1 Percent	510	0.9	3,707,830	16.9	1,179,970	25.2	2,527,860	14.7	31.8	
Top 0.1 Percent	50	0.1	16,422,400	7.5	5,175,240	11.1	11,247,160	6.5	31.5	

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 2030 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) 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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.

**Table T20-0225**  
**Make Sec199A Deduction for Qualified Business Income (QBI) Permanent**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2030<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.7	0.0	0.0	0.0	0	-0.1	0.0	0.2	0.0	1.8
Second Quintile	2.5	0.0	0.0	0.3	-10	-0.5	0.0	1.3	0.0	2.5
Middle Quintile	9.0	0.0	0.1	2.2	-40	-0.7	0.1	6.4	0.0	6.6
Fourth Quintile	16.5	0.0	0.1	8.1	-170	-1.0	0.1	15.4	-0.1	12.0
Top Quintile	27.6	0.0	0.7	89.4	-2,240	-2.2	-0.3	76.2	-0.5	22.7
All	10.8	0.0	0.4	100.0	-410	-1.9	0.0	100.0	-0.3	15.9
<b>Addendum</b>										
80-90	23.4	0.0	0.3	9.2	-460	-1.2	0.1	14.3	-0.2	16.6
90-95	28.4	0.0	0.4	9.3	-930	-1.5	0.0	11.6	-0.3	19.0
95-99	35.5	0.0	0.6	17.7	-2,350	-1.9	0.0	18.0	-0.4	22.8
Top 1 Percent	36.3	0.0	1.3	53.2	-26,230	-3.1	-0.4	32.5	-0.9	29.4
Top 0.1 Percent	40.3	0.0	1.5	30.4	-128,300	-3.3	-0.3	17.1	-1.0	30.3

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2030<sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,960	12.9	18,990	1.8	340	0.2	18,650	2.2	1.8	
Second Quintile	13,220	24.5	45,920	8.4	1,170	1.3	44,750	9.8	2.5	
Middle Quintile	13,700	25.4	81,760	15.5	5,430	6.4	76,330	17.3	6.6	
Fourth Quintile	10,610	19.6	139,070	20.5	16,810	15.2	122,250	21.5	12.1	
Top Quintile	8,880	16.4	434,790	53.5	100,860	76.5	333,940	49.1	23.2	
All	54,040	100.0	133,470	100.0	21,670	100.0	111,810	100.0	16.2	
<b>Addendum</b>										
80-90	4,520	8.4	218,440	13.7	36,690	14.2	181,750	13.6	16.8	
90-95	2,230	4.1	313,760	9.7	60,440	11.5	253,320	9.4	19.3	
95-99	1,680	3.1	538,790	12.6	125,100	18.0	413,700	11.5	23.2	
Top 1 Percent	450	0.8	2,807,690	17.6	851,470	32.9	1,956,220	14.6	30.3	
Top 0.1 Percent	50	0.1	12,316,840	9.0	3,858,910	17.4	8,457,920	7.4	31.3	

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.

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<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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2019 dollars): 20% \$20,900; 40% \$40,500; 60% \$68,700; 80% \$113,200; 90% \$162,200; 95% \$230,500; 99% \$529,700; 99.9% \$2,371,700.

(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.