

Table T21-0065
Major Tax Provisions in the Administration's FY2022 Budget Proposal
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Percentile, 2022¹
Baseline: Current Law

Expanded Cash Income Percentile ^{2,3}	Tax Units		Tax Units with Tax Increase or Cut ⁴				Average Tax Change (Dollars) For all Tax Units	
	Number (thousands)	Percent of Total	With Tax Cut		With Tax Increase		All Provisions ⁵	Major Provisions Included Here ⁶
			Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)		
Lowest Quintile	47,290	26.3	35.4	-1,830	31.0	80	-620	-620
Second Quintile	39,070	21.7	31.5	-2,460	63.2	170	-660	-670
Middle Quintile	36,820	20.5	25.3	-2,370	74.1	330	-340	-360
Fourth Quintile	30,270	16.8	29.5	-2,270	70.4	730	-120	-160
Top Quintile	24,890	13.8	18.4	-1,710	81.5	14,190	11,450	11,250
All	179,880	100.0	29.0	-2,140	60.7	2,930	1,190	1,150
Addendum								
80-90	12,750	7.1	30.4	-1,820	69.4	1,310	420	350
90-95	6,230	3.5	9.8	-1,150	90.1	2,000	1,790	1,680
95-99	4,760	2.7	1.7	-770	98.2	5,030	5,090	4,930
Top 1 Percent	1,140	0.6	0.0	n/a	100.0	211,110	213,530	211,110
Top 0.1 Percent	120	0.1	0.0	n/a	100.0	1,545,350	1,564,600	1,545,350

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0521-1).

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

(1) Calendar year. Baseline is the law currently in place as of 8 June 2021.

<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 2020 dollars): 20% \$25,700; 40% \$51,600; 60% \$91,800; 80% \$165,600; 90% \$243,000; 95% \$343,800; 99% \$817,100; 99.9% \$3,598,700.

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

(5) Includes provisions as described in Treasury's General Explanations of the Administration's Fiscal Year 2022 Revenue Proposals (the "Green Book") with the exception of: provisions related to tax compliance, tax administration, and the premium tax credit.

(6) Due to data limitations, in addition to the provisions outlined in note (5), we also exclude the following provisions: extend and modify the nonbusiness energy property credit; extend and modify the residential energy efficient credit; establish tax credits for heavy- and medium-duty zero emission vehicles; extend and enhance the electric vehicle charging station credit; increase the employer-provided childcare tax credit for businesses; provide disaster mitigation tax credit; reform taxation of foreign fossil fuel income; limit foreign tax credits for sales of hybrid entities; restrict deductions of excessive interest of members of financial reporting; extend and modify the renewable energy investment credit; provide tax credit for electricity transmission investments; establish new tax credits for qualifying advanced energy manufacturing; provide tax credits for mechanical insulation labor costs; expand the Low-Income Housing Tax Credit; provide Neighborhood Homes Investment Tax Credit; make permanent the New Markets Tax Credit; provide federally subsidized state and local bonds for infrastructure; eliminate tax preferences for fossil fuels; tax carried interest as ordinary income; and repeal deferral of gain from like-kind exchanges.