

Table T21-0290
Alternative State and Local Tax (SALT) Deduction Provision in
Major Tax Provisions in H.R.5376, The Build Back Better Act as Reported by the Committee on the
Budget, with Modifications (Rules Committee Print 117-18 as Amended by 117-19: November 4, 2021)
Phase out Benefit of \$80,000 SALT Limit Between AGI of \$400,000 and \$475,000
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Level, 2022 ¹
Baseline: Current Law

Expanded Cash Income Level (thousands of 2020 dollars) ²	Tax Units		Tax Units with Tax Increase or Cut ³				Average Tax Change (Dollars) For all Tax Units	
	Number (thousands)	Percent of Total	With Tax Cut		With Tax Increase		All Provisions ⁴	Major Provisions Included Here ⁵
			Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)		
Less than 10	10,480	5.8	32.9	-1,280	1.5	30	-440	-420
10-20	22,180	12.4	35.2	-1,800	4.0	30	-660	-630
20-30	19,840	11.1	41.0	-2,240	10.8	30	-960	-920
30-40	16,080	9.0	35.0	-2,440	14.5	40	-910	-850
40-50	13,340	7.4	30.0	-2,350	16.4	50	-750	-700
50-75	24,900	13.9	27.7	-2,310	18.9	60	-680	-630
75-100	18,160	10.1	30.0	-2,120	27.3	80	-670	-610
100-200	32,870	18.3	48.5	-1,690	30.1	120	-870	-790
200-500	16,970	9.5	65.2	-2,200	28.5	230	-1,530	-1,370
500-1,000	2,270	1.3	35.0	-2,810	61.9	2,560	250	600
More than 1,000	940	0.5	8.1	-200	90.8	91,120	83,930	82,700
All	179,520	100.0	38.8	-2,030	19.3	2,440	-380	-320

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-2).

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

(1) Calendar year. Baseline is the law currently in place as of December 9, 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) Includes provisions contained in JCX-45-21 except: provisions related to expanding access to health coverage; Subtitle E, Part 4, item 1; Subtitle H, Part 5, item 5; and provisions with a revenue change of less than \$50 million in the years of our analysis. In lieu of Subtitle G, Part 6 as amended by Rules Committee Print 117-19, proposal would increase the limit on deductible state and local taxes from \$10,000 to \$80,000 for taxpayers with adjusted gross income (AGI) less than \$400,000. The additional deduction would phase out rateably between \$400,000 and \$475,000 of AGI (for married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and the benefit would phase out between \$200,000 and \$237,500 of AGI).

(5) Includes following provisions from JCX-45-21: Subtitle F, Part 1, item 1; Subtitle F, Part 2; Subtitle F, Part 7; Subtitle G, Part 1; Subtitle G, Part 2, item 1; Subtitle H, Part 1, sections A-C; Subtitle H, Part 1, section E, item 7; Subtitle H, Part 1, section E, item 11; Subtitle H, Part 1, section E, item 13; Subtitle H, Part 2; and Subtitle H, Part 5, item 2. In lieu of Subtitle G, Part 6 as amended by Rules Committee Print 117-19, contains SALT provision as described in above note. For certain proposals, the TPC model is detailed enough to estimate the average tax change by income group but, due to data limitations, we cannot assign the tax change to individual tax units. Thus, the effects of those proposals are not included in our estimate of the percent of tax units with a tax increase or cut.