

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

Table T21-0293
Increase Limit on Deductible State and Local Taxes (SALT) to \$80,000 for those with Adjusted Gross Income (AGI)
Less than \$900,000 Married Filing Jointly/\$675,000 Head of Household/\$450,000 Single
Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2021 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut ⁴				Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	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 (\$)					
Lowest Quintile	*	**	0.0	0	0.0	0.0	0	0.0	-12.5
Second Quintile	0.3	-580	0.0	0	0.0	0.1	*	0.0	0.1
Middle Quintile	1.6	-1,040	0.0	0	0.0	1.5	-20	0.0	9.0
Fourth Quintile	8.7	-1,010	0.0	0	0.1	6.3	-90	-0.1	14.1
Top Quintile	43.4	-3,560	0.0	0	0.5	92.1	-1,550	-0.4	23.7
All	7.8	-2,960	0.0	0	0.3	100.0	-230	-0.2	16.3
Addendum									
80-90	28.3	-1,470	0.0	0	0.2	12.7	-420	-0.2	18.5
90-95	51.5	-2,450	0.0	0	0.5	18.8	-1,260	-0.4	21.4
95-99	76.2	-5,740	0.0	0	1.1	50.0	-4,380	-0.8	23.4
Top 1 Percent	31.5	-12,200	0.0	0	0.2	10.6	-3,840	-0.1	29.6
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	30.0

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

Number of AMT Taxpayers (millions). Baseline: 0.3

Proposal: 0.8

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

(1) Calendar Year. Baseline is the law currently in place as of December 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out rateably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

<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% \$27,400; 40% \$54,200; 60% \$96,000; 80% \$174,900; 90% \$254,500; 95% \$366,100; 99% \$867,100; 99.9% \$3,981,100.

(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.

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Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2021 ¹

Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	0.0	-3.0	0.0	-12.5
Second Quintile	0.3	0.0	0.0	0.1	*	-3.9	0.0	0.0	0.0	0.1
Middle Quintile	1.6	0.0	0.0	1.5	-20	-0.3	0.1	7.8	0.0	9.0
Fourth Quintile	8.7	0.0	0.1	6.3	-90	-0.5	0.2	17.7	-0.1	14.1
Top Quintile	43.4	0.0	0.5	92.1	-1,550	-1.5	-0.2	77.4	-0.4	23.7
All	7.8	0.0	0.3	100.0	-230	-1.3	0.0	100.0	-0.2	16.3
Addendum										
80-90	28.3	0.0	0.2	12.7	-420	-1.0	0.0	16.0	-0.2	18.5
90-95	51.5	0.0	0.5	18.8	-1,260	-1.9	-0.1	12.9	-0.4	21.4
95-99	76.2	0.0	1.1	50.0	-4,380	-3.4	-0.4	18.4	-0.8	23.4
Top 1 Percent	31.5	0.0	0.2	10.6	-3,840	-0.5	0.3	30.2	-0.1	29.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	15.6	0.0	30.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	47,360	26.6	16,120	4.0	-2,020	-3.0	18,140	5.3	-12.5	
Second Quintile	38,780	21.8	40,950	8.2	40	0.1	40,910	9.8	0.1	
Middle Quintile	36,130	20.3	75,660	14.1	6,800	7.7	68,860	15.4	9.0	
Fourth Quintile	29,780	16.7	133,000	20.5	18,770	17.5	114,230	21.1	14.1	
Top Quintile	24,560	13.8	419,620	53.3	100,900	77.6	318,720	48.5	24.1	
All	#####	#####	108,540	100.0	17,930	100.0	90,610	100.0	16.5	
Addendum										
80-90	12,570	7.1	216,480	14.1	40,560	16.0	175,930	13.7	18.7	
90-95	6,150	3.5	309,020	9.8	67,260	12.9	241,760	9.2	21.8	
95-99	4,710	2.6	525,420	12.8	127,450	18.8	397,970	11.6	24.3	
Top 1 Percent	1,140	0.6	2,823,310	16.6	839,450	29.9	1,983,860	14.0	29.7	
Top 0.1 Percent	120	0.1	#####	8.5	4,184,300	15.4	9,777,670	7.1	30.0	

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

Number of AMT Taxpayers (millions). Baseline: 0.3 Proposal: 0.8

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

(1) Calendar Year. Baseline is the law currently in place as of December 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out ratably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

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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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(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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.

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Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	-0.1	-4.1	0.0	-21.6
Second Quintile	0.2	0.0	0.0	0.0	0	0.1	0.0	-1.1	0.0	-2.6
Middle Quintile	1.1	0.0	0.0	0.6	-10	-0.2	0.1	5.4	0.0	7.0
Fourth Quintile	6.3	0.0	0.1	5.7	-70	-0.4	0.2	17.0	-0.1	13.7
Top Quintile	36.7	0.0	0.5	93.6	-1,250	-1.5	-0.1	82.7	-0.4	23.5
All	7.8	0.0	0.3	100.0	-230	-1.3	0.0	100.0	-0.2	16.3
Addendum										
80-90	22.0	0.0	0.2	12.0	-310	-0.9	0.1	17.5	-0.2	18.8
90-95	42.5	0.0	0.5	18.1	-970	-1.7	-0.1	13.9	-0.4	21.1
95-99	68.3	0.0	1.0	51.8	-3,560	-3.3	-0.4	19.9	-0.8	23.1
Top 1 Percent	35.1	0.0	0.2	11.7	-3,470	-0.5	0.3	31.4	-0.1	29.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	16.2	0.0	30.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	39,490	22.2	15,290	3.1	-3,300	-4.1	18,590	4.6	-21.6	
Second Quintile	36,590	20.5	36,560	6.9	-950	-1.1	37,510	8.5	-2.6	
Middle Quintile	35,810	20.1	67,420	12.5	4,730	5.3	62,690	13.9	7.0	
Fourth Quintile	33,730	18.9	115,970	20.2	16,000	16.9	99,970	20.9	13.8	
Top Quintile	31,000	17.4	357,650	57.3	85,330	82.8	272,320	52.3	23.9	
All	#####	#####	108,540	100.0	17,930	100.0	90,610	100.0	16.5	
Addendum										
80-90	15,870	8.9	185,040	15.2	35,080	17.4	149,960	14.8	19.0	
90-95	7,740	4.4	267,370	10.7	57,410	13.9	209,960	10.1	21.5	
95-99	5,990	3.4	453,480	14.1	108,500	20.4	344,980	12.8	23.9	
Top 1 Percent	1,390	0.8	2,418,820	17.4	714,920	31.1	1,703,890	14.7	29.6	
Top 0.1 Percent	140	0.1	#####	8.8	3,635,520	16.0	8,494,370	7.4	30.0	

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

Number of AMT Taxpayers (millions). Baseline: 0.3 Proposal: 0.8

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

(1) Calendar Year. Baseline is the law currently in place as of December 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out ratably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

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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 2020 dollars): 20% \$19,100; 40% \$37,200; 60% \$63,800; 80% \$107,000; 90% \$155,200; 95% \$218,300; 99% \$503,700; 99.9% \$2,239,200.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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.

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Less than \$900,000 Married Filing Jointly/\$675,000 Head of Household/\$450,000 Single
Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)

Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	0.0	-5.0	0.0	-12.2
Second Quintile	0.1	0.0	0.0	0.0	0	0.0	0.0	2.0	0.0	2.6
Middle Quintile	0.6	0.0	0.0	1.2	*	-0.1	0.1	12.3	0.0	10.2
Fourth Quintile	3.2	0.0	0.1	8.7	-40	-0.3	0.1	25.8	-0.1	16.4
Top Quintile	26.4	0.0	0.4	90.1	-630	-1.1	-0.2	64.8	-0.3	24.2
All	3.4	0.0	0.2	100.0	-70	-0.8	0.0	100.0	-0.1	15.1
Addendum										
80-90	13.1	0.0	0.1	11.3	-140	-0.5	0.1	18.4	-0.1	20.7
90-95	35.6	0.0	0.4	18.5	-550	-1.3	-0.1	11.6	-0.3	22.0
95-99	58.2	0.0	0.9	51.6	-2,170	-2.8	-0.3	15.1	-0.7	24.1
Top 1 Percent	28.6	0.0	0.2	8.7	-1,830	-0.4	0.1	19.8	-0.1	31.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	10.1	0.0	31.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	25,870	29.3	12,240	6.2	-1,490	-5.0	13,730	8.2	-12.2	
Second Quintile	20,080	22.8	28,790	11.3	760	2.0	28,030	13.0	2.7	
Middle Quintile	17,960	20.4	51,730	18.2	5,280	12.2	46,460	19.3	10.2	
Fourth Quintile	14,270	16.2	85,170	23.8	13,970	25.6	71,190	23.5	16.4	
Top Quintile	9,180	10.4	224,800	40.4	55,090	65.0	169,720	36.0	24.5	
All	88,160	#####	57,910	100.0	8,820	100.0	49,090	100.0	15.2	
Addendum										
80-90	5,200	5.9	131,630	13.4	27,400	18.3	104,230	12.5	20.8	
90-95	2,140	2.4	189,740	8.0	42,350	11.7	147,390	7.3	22.3	
95-99	1,530	1.7	315,590	9.5	78,060	15.4	237,520	8.4	24.7	
Top 1 Percent	310	0.4	1,604,530	9.6	501,520	19.7	1,103,010	7.8	31.3	
Top 0.1 Percent	30	0.0	8,087,730	4.8	2,555,340	10.0	5,532,390	3.9	31.6	

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 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out rateably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

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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 2020 dollars): 20% \$19,100; 40% \$37,200; 60% \$63,800; 80% \$107,000; 90% \$155,200; 95% \$218,300; 99% \$503,700; 99.9% \$2,239,200.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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.

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	0.0	-1.6	0.0	-25.0
Second Quintile	0.2	0.0	0.0	0.0	*	0.0	0.0	-1.0	0.0	-5.4
Middle Quintile	1.5	0.0	0.0	0.4	-10	-0.3	0.0	2.2	0.0	4.9
Fourth Quintile	8.4	0.0	0.1	4.5	-90	-0.5	0.1	12.6	-0.1	12.2
Top Quintile	41.1	0.0	0.5	95.1	-1,540	-1.6	-0.1	87.6	-0.4	23.3
All	15.3	0.0	0.3	100.0	-510	-1.4	0.0	100.0	-0.3	18.2
Addendum										
80-90	26.0	0.0	0.2	11.7	-400	-1.0	0.1	16.9	-0.2	18.1
90-95	44.8	0.0	0.5	17.8	-1,120	-1.7	0.0	14.7	-0.4	20.9
95-99	71.8	0.0	1.1	53.0	-4,090	-3.4	-0.5	22.0	-0.8	22.9
Top 1 Percent	37.5	0.0	0.2	12.6	-4,070	-0.5	0.3	34.1	-0.2	29.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.2	16.9	0.0	29.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,070	11.1	20,410	1.2	-5,100	-1.6	25,510	1.8	-25.0	
Second Quintile	8,430	13.2	47,470	3.3	-2,560	-1.0	50,030	4.2	-5.4	
Middle Quintile	11,720	18.4	87,670	8.4	4,270	2.2	83,400	9.8	4.9	
Fourth Quintile	16,000	25.0	143,740	18.7	17,650	12.5	126,100	20.2	12.3	
Top Quintile	20,100	31.5	418,610	68.6	98,870	87.7	319,740	64.2	23.6	
All	63,890	#####	192,020	100.0	35,450	100.0	156,570	100.0	18.5	
Addendum										
80-90	9,670	15.1	215,510	17.0	39,290	16.8	176,220	17.0	18.2	
90-95	5,190	8.1	302,590	12.8	64,240	14.7	238,350	12.4	21.2	
95-99	4,220	6.6	507,520	17.5	120,220	22.4	387,300	16.3	23.7	
Top 1 Percent	1,010	1.6	2,578,950	21.3	755,320	33.8	1,823,630	18.5	29.3	
Top 0.1 Percent	100	0.2	#####	10.3	3,798,470	16.6	8,961,950	8.9	29.8	

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 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out rateably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

<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 2020 dollars): 20% \$19,100; 40% \$37,200; 60% \$63,800; 80% \$107,000; 90% \$155,200; 95% \$218,300; 99% \$503,700; 99.9% \$2,239,200.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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 T21-0293
Increase Limit on Deductible State and Local Taxes (SALT) to \$80,000 for those with Adjusted Gross Income (AGI)
Less than \$900,000 Married Filing Jointly/\$675,000 Head of Household/\$450,000 Single
Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)

Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	-2.0	-95.5	0.0	-40.2
Second Quintile	0.2	0.0	0.0	0.2	0	0.0	-1.1	-51.4	0.0	-8.9
Middle Quintile	1.0	0.0	0.0	2.1	-10	-0.1	0.6	31.7	0.0	4.5
Fourth Quintile	9.4	0.0	0.1	19.2	-90	-0.5	1.2	76.1	-0.1	13.9
Top Quintile	35.2	0.0	0.4	78.6	-940	-1.2	1.3	139.4	-0.3	24.0
All	3.0	0.0	0.1	100.0	-50	-2.1	0.0	100.0	-0.1	3.8
Addendum										
80-90	29.7	0.0	0.3	21.2	-410	-1.1	0.4	39.7	-0.2	19.7
90-95	39.9	0.0	0.5	20.9	-1,040	-2.0	0.0	21.8	-0.4	20.7
95-99	58.9	0.0	1.0	31.5	-3,410	-3.0	-0.2	21.3	-0.8	24.9
Top 1 Percent	22.2	0.0	0.1	4.9	-1,930	-0.2	1.1	56.6	-0.1	29.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.8	39.2	0.0	29.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,180	27.5	22,280	9.0	-8,950	-93.5	31,230	13.1	-40.2	
Second Quintile	7,370	32.8	45,490	21.8	-4,040	-50.3	49,530	24.7	-8.9	
Middle Quintile	5,250	23.4	77,740	26.6	3,510	31.1	74,230	26.4	4.5	
Fourth Quintile	2,600	11.6	122,340	20.7	17,050	74.9	105,290	18.5	13.9	
Top Quintile	1,020	4.5	330,290	22.0	80,050	138.2	250,250	17.3	24.2	
All	22,470	#####	68,370	100.0	2,630	100.0	65,740	100.0	3.9	
Addendum										
80-90	630	2.8	185,350	7.6	36,980	39.4	148,370	6.3	20.0	
90-95	250	1.1	246,310	4.0	52,000	21.7	194,310	3.3	21.1	
95-99	110	0.5	439,310	3.2	112,630	21.5	326,680	2.5	25.6	
Top 1 Percent	30	0.1	3,535,800	7.2	1,056,390	55.6	2,479,410	5.2	29.9	
Top 0.1 Percent	*	0.0	#####	5.0	7,123,400	38.4	#####	3.6	29.8	

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 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out rateably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

<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 2020 dollars): 20% \$19,100; 40% \$37,200; 60% \$63,800; 80% \$107,000; 90% \$155,200; 95% \$218,300; 99% \$503,700; 99.9% \$2,239,200.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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 T21-0293
Increase Limit on Deductible State and Local Taxes (SALT) to \$80,000 for those with Adjusted Gross Income (AGI)
Less than \$900,000 Married Filing Jointly/\$675,000 Head of Household/\$450,000 Single
Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)

Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	-0.1	-7.9	0.0	-41.7
Second Quintile	0.3	0.0	0.0	0.0	*	0.0	-0.1	-4.0	0.0	-8.8
Middle Quintile	2.0	0.0	0.0	0.6	-10	-0.3	0.1	3.7	0.0	4.7
Fourth Quintile	12.7	0.0	0.1	6.5	-140	-0.7	0.2	17.1	-0.1	13.7
Top Quintile	52.6	0.0	0.6	92.8	-2,090	-1.7	0.0	91.1	-0.4	24.6
All	12.4	0.0	0.3	100.0	-410	-1.7	0.0	100.0	-0.3	15.7
Addendum										
80-90	39.4	0.0	0.3	14.0	-620	-1.3	0.1	18.8	-0.3	19.9
90-95	62.1	0.0	0.7	20.4	-1,880	-2.4	-0.1	14.5	-0.5	22.1
95-99	82.5	0.0	1.4	52.8	-6,000	-4.0	-0.5	22.0	-1.0	24.4
Top 1 Percent	21.8	0.0	0.1	5.6	-2,460	-0.3	0.5	35.8	-0.1	29.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.3	17.3	0.0	29.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,090	19.8	22,830	3.0	-9,520	-7.8	32,350	5.0	-41.7	
Second Quintile	11,380	22.3	49,150	7.2	-4,320	-4.0	53,480	9.3	-8.8	
Middle Quintile	10,440	20.5	91,110	12.3	4,310	3.6	86,790	13.9	4.7	
Fourth Quintile	9,570	18.8	159,240	19.6	21,900	16.9	137,330	20.2	13.8	
Top Quintile	9,270	18.2	486,330	58.1	121,670	91.1	364,650	51.9	25.0	
All	51,000	#####	152,060	100.0	24,280	100.0	127,780	100.0	16.0	
Addendum										
80-90	4,690	9.2	245,420	14.8	49,360	18.7	196,070	14.1	20.1	
90-95	2,270	4.5	352,130	10.3	79,780	14.6	272,350	9.5	22.7	
95-99	1,840	3.6	596,930	14.2	151,520	22.5	445,410	12.6	25.4	
Top 1 Percent	480	0.9	3,065,000	18.9	916,340	35.3	2,148,660	15.7	29.9	
Top 0.1 Percent	50	0.1	#####	9.1	4,603,270	17.0	#####	7.6	29.7	

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

* 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 as of December 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out ratably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

<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 2020 dollars): 20% \$19,100; 40% \$37,200; 60% \$63,800; 80% \$107,000; 90% \$155,200; 95% \$218,300; 99% \$503,700; 99.9% \$2,239,200.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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 T21-0293
Increase Limit on Deductible State and Local Taxes (SALT) to \$80,000 for those with Adjusted Gross Income (AGI)
Less than \$900,000 Married Filing Jointly/\$675,000 Head of Household/\$450,000 Single
Phase out Increase in Deduction over \$100,000 Range of Adjusted Gross Income (AGI)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁷	
	With Tax Cut	With Tax Increase			Dollars	Percent ⁶	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	*	0.0	0.0	0.0	0	0.0	0.0	-3.2	0.0	-11.9
Second Quintile	0.1	0.0	0.0	0.1	0	0.0	0.0	-2.6	0.0	-4.1
Middle Quintile	0.8	0.0	0.0	1.1	-10	-0.5	0.0	2.6	0.0	2.4
Fourth Quintile	4.2	0.0	0.1	5.6	-50	-0.5	0.1	12.9	-0.1	8.5
Top Quintile	29.0	0.0	0.4	93.2	-970	-1.3	0.0	89.8	-0.3	21.4
All	5.1	0.0	0.2	100.0	-150	-1.2	0.0	100.0	-0.2	13.1
Addendum										
80-90	15.2	0.0	0.2	12.4	-250	-1.1	0.0	14.2	-0.2	13.9
90-95	31.9	0.0	0.3	14.8	-650	-1.6	0.0	11.4	-0.3	16.9
95-99	59.3	0.0	0.8	49.0	-2,610	-3.0	-0.4	19.5	-0.6	20.3
Top 1 Percent	37.4	0.0	0.2	17.0	-3,400	-0.5	0.3	44.7	-0.1	29.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.3	26.8	0.0	29.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2021 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁷	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,150	21.9	14,910	3.5	-1,770	-3.1	16,680	4.5	-11.9	
Second Quintile	10,850	23.4	32,980	8.2	-1,340	-2.5	34,330	9.8	-4.1	
Middle Quintile	9,830	21.2	62,050	14.0	1,500	2.6	60,540	15.7	2.4	
Fourth Quintile	8,130	17.6	106,150	19.7	9,110	12.8	97,040	20.8	8.6	
Top Quintile	6,730	14.5	355,890	54.8	77,090	89.8	278,800	49.4	21.7	
All	46,310	#####	94,410	100.0	12,470	100.0	81,940	100.0	13.2	
Addendum										
80-90	3,470	7.5	168,020	13.3	23,650	14.2	144,360	13.2	14.1	
90-95	1,590	3.4	240,990	8.8	41,450	11.4	199,540	8.4	17.2	
95-99	1,320	2.9	414,810	12.5	86,720	19.8	328,100	11.4	20.9	
Top 1 Percent	350	0.8	2,514,180	20.2	731,250	44.4	1,782,930	16.5	29.1	
Top 0.1 Percent	50	0.1	#####	11.7	3,398,530	26.4	8,005,320	11.7	29.8	

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

* 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 as of December 12, 2021. Provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000.

Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out ratably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, the limit would increase from \$5,000 to \$40,000 and any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

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(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(7) 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.