

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

**Table T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Summary Table**

| Expanded Cash Income Level (thousands of 2020 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 (\$) |   |                                   |                                 |                                       |                    |
| Less than 10  | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 4.4                |
| 10-20   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 2.6                |
| 20-30   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 3.8                |
| 30-40   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 6.7                |
| 40-50   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 9.3                |
| 50-75   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 12.5               |
| 75-100  | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 14.8               |
| 100-200   | 0.0   | 0                   | 0.0               | 0                   | 0.0   | 0.0                               | 0                               | 0.0                                   | 17.7               |
| 200-500   | 0.0   | 0                   | 0.1               | 4,090               | 0.0   | 0.3                               | *                               | 0.0                                   | 22.2               |
| 500-1,000   | 0.0   | 0                   | 16.4              | 8,450               | -0.3  | 14.5                              | 1,380                           | 0.2                                   | 26.3               |
| More than 1,000   | 0.0   | 0                   | 32.3              | 62,140              | -0.9  | 85.2                              | 20,080                          | 0.6                                   | 31.5               |
| All   | 0.0   | 0                   | 0.4               | 31,730              | -0.1  | 100.0                             | 120                             | 0.1                                   | 19.8               |

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

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

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

(1) Calendar Year. Baseline is the law currently in place as of November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>

Detail Table

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | 4.4                |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.2                | 0.0                                   | 2.6                |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.5                | 0.0                                   | 3.8                |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 1.0                | 0.0                                   | 6.7                |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 1.4                | 0.0                                   | 9.3                |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 5.1                | 0.0                                   | 12.5               |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 6.2                | 0.0                                   | 14.8               |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 21.6               | 0.0                                   | 17.7               |
| 200-500   | 0.0                               | 0.1               | 0.0   | 0.3                               | *                          | 0.0                  | -0.2                   | 28.5               | 0.0                                   | 22.2               |
| 500-1,000   | 0.0                               | 16.4              | -0.3  | 14.5                              | 1,380                      | 0.7                  | 0.0                    | 10.6               | 0.2                                   | 26.3               |
| More than 1,000   | 0.0                               | 32.3              | -0.9  | 85.2                              | 20,080                     | 1.9                  | 0.3                    | 24.6               | 0.6                                   | 31.5               |
| All   | 0.0                               | 0.4               | -0.1  | 100.0                             | 120                        | 0.5                  | 0.0                    | 100.0              | 0.1                                   | 19.8               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 10,510             | 5.8              | 6,160             | 0.3              | 270                | 0.1              | 5,890                         | 0.4              | 4.4                                   |
| 10-20   | 21,940             | 12.1             | 16,250            | 1.7              | 420                | 0.2              | 15,840                        | 2.1              | 2.6                                   |
| 20-30   | 20,080             | 11.1             | 26,880            | 2.6              | 1,020              | 0.5              | 25,850                        | 3.1              | 3.8                                   |
| 30-40   | 16,050             | 8.9              | 37,750            | 2.9              | 2,530              | 1.0              | 35,220                        | 3.4              | 6.7                                   |
| 40-50   | 13,370             | 7.4              | 48,510            | 3.1              | 4,490              | 1.5              | 44,020                        | 3.5              | 9.3                                   |
| 50-75   | 25,180             | 13.9             | 66,950            | 8.0              | 8,340              | 5.1              | 58,610                        | 8.8              | 12.5                                  |
| 75-100  | 18,400             | 10.2             | 93,980            | 8.2              | 13,920             | 6.2              | 80,060                        | 8.7              | 14.8                                  |
| 100-200   | 33,470             | 18.5             | 151,720           | 24.2             | 26,860             | 21.7             | 124,860                       | 24.8             | 17.7                                  |
| 200-500   | 17,290             | 9.6              | 309,420           | 25.5             | 68,610             | 28.7             | 240,800                       | 24.7             | 22.2                                  |
| 500-1,000   | 2,340              | 1.3              | 718,670           | 8.0              | 187,740            | 10.6             | 530,930                       | 7.4              | 26.1                                  |
| More than 1,000   | 950                | 0.5              | 3,426,400         | 15.5             | 1,059,070          | 24.3             | 2,367,330                     | 13.3             | 30.9                                  |
| All   | 181,060            | 100.0            | 115,990           | 100.0            | 22,860             | 100.0            | 93,130                        | 100.0            | 19.7                                  |

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

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

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

(1) Calendar Year. Baseline is the law currently in place as of November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**

**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Single Tax Units**

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | 5.9                |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 1.3                | 0.0                                   | 4.9                |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 2.5                | 0.0                                   | 7.7                |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 3.4                | 0.0                                   | 10.1               |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 4.3                | 0.0                                   | 12.0               |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 13.4               | 0.0                                   | 15.1               |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 13.6               | 0.0                                   | 18.4               |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 27.1               | 0.0                                   | 21.6               |
| 200-500   | 0.0                               | 0.4               | 0.0   | 1.1                               | 10                         | 0.0                  | 0.0                    | 16.4               | 0.0                                   | 25.0               |
| 500-1,000   | 0.0                               | 15.6              | -0.3  | 15.8                              | 1,550                      | 0.7                  | 0.0                    | 5.0                | 0.2                                   | 30.2               |
| More than 1,000   | 0.0                               | 25.7              | -0.8  | 83.1                              | 18,480                     | 1.6                  | 0.2                    | 12.3               | 0.5                                   | 33.8               |
| All   | 0.0                               | 0.1               | -0.1  | 100.0                             | 30                         | 0.2                  | 0.0                    | 100.0              | 0.0                                   | 18.5               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 8,770              | 9.8              | 6,170             | 1.0              | 360                | 0.3              | 5,800                         | 1.1              | 5.9                                   |
| 10-20   | 17,190             | 19.3             | 16,100            | 5.0              | 790                | 1.3              | 15,310                        | 5.8              | 4.9                                   |
| 20-30   | 12,410             | 13.9             | 26,650            | 5.9              | 2,050              | 2.5              | 24,600                        | 6.7              | 7.7                                   |
| 30-40   | 9,240              | 10.4             | 37,660            | 6.3              | 3,820              | 3.4              | 33,840                        | 6.9              | 10.1                                  |
| 40-50   | 7,550              | 8.5              | 48,590            | 6.6              | 5,830              | 4.3              | 42,760                        | 7.1              | 12.0                                  |
| 50-75   | 13,680             | 15.3             | 66,700            | 16.4             | 10,090             | 13.5             | 56,610                        | 17.0             | 15.1                                  |
| 75-100  | 8,130              | 9.1              | 93,690            | 13.7             | 17,250             | 13.7             | 76,440                        | 13.7             | 18.4                                  |
| 100-200   | 8,980              | 10.1             | 143,820           | 23.2             | 31,080             | 27.2             | 112,740                       | 22.3             | 21.6                                  |
| 200-500   | 2,220              | 2.5              | 304,100           | 12.1             | 76,060             | 16.4             | 228,040                       | 11.1             | 25.0                                  |
| 500-1,000   | 240                | 0.3              | 716,020           | 3.1              | 214,910            | 5.0              | 501,110                       | 2.6              | 30.0                                  |
| More than 1,000   | 110                | 0.1              | 3,543,410         | 6.7              | 1,179,100          | 12.1             | 2,364,320                     | 5.5              | 33.3                                  |
| All   | 89,310             | 100.0            | 62,360            | 100.0            | 11,480             | 100.0            | 50,880                        | 100.0            | 18.4                                  |

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 November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>

Detail Table - Married Tax Units Filing Jointly

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | 3.5                |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.0                | 0.0                                   | 1.5                |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.1                | 0.0                                   | 1.6                |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.1                | 0.0                                   | 2.1                |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.2                | 0.0                                   | 4.2                |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 1.2                | 0.0                                   | 8.0                |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 2.6                | 0.0                                   | 11.0               |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 18.6               | 0.0                                   | 16.0               |
| 200-500   | 0.0                               | *                 | 0.0   | 0.0                               | 0                          | 0.0                  | -0.2                   | 34.4               | 0.0                                   | 21.7               |
| 500-1,000   | 0.0                               | 16.4              | -0.3  | 14.9                              | 1,350                      | 0.7                  | 0.0                    | 13.4               | 0.2                                   | 25.8               |
| More than 1,000   | 0.0                               | 33.0              | -0.9  | 85.0                              | 19,530                     | 2.0                  | 0.4                    | 29.1               | 0.6                                   | 31.2               |
| All   | 0.0                               | 0.9               | -0.2  | 100.0                             | 280                        | 0.7                  | 0.0                    | 100.0              | 0.1                                   | 21.1               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 1,030              | 1.6              | 5,420             | 0.0              | 190                | 0.0              | 5,230                         | 0.1              | 3.5                                   |
| 10-20   | 2,220              | 3.4              | 16,710            | 0.3              | 260                | 0.0              | 16,460                        | 0.4              | 1.5                                   |
| 20-30   | 3,610              | 5.6              | 27,160            | 0.7              | 440                | 0.1              | 26,720                        | 0.9              | 1.6                                   |
| 30-40   | 3,150              | 4.9              | 37,790            | 0.9              | 810                | 0.1              | 36,980                        | 1.1              | 2.1                                   |
| 40-50   | 2,890              | 4.5              | 48,330            | 1.1              | 2,020              | 0.2              | 46,310                        | 1.3              | 4.2                                   |
| 50-75   | 6,360              | 9.8              | 67,850            | 3.2              | 5,430              | 1.2              | 62,410                        | 3.8              | 8.0                                   |
| 75-100  | 7,050              | 10.9             | 94,670            | 5.0              | 10,440             | 2.6              | 84,230                        | 5.6              | 11.0                                  |
| 100-200   | 20,820             | 32.1             | 156,640           | 24.5             | 25,080             | 18.7             | 131,560                       | 26.1             | 16.0                                  |
| 200-500   | 14,340             | 22.1             | 311,080           | 33.5             | 67,410             | 34.6             | 243,680                       | 33.2             | 21.7                                  |
| 500-1,000   | 2,040              | 3.1              | 719,070           | 11.0             | 184,130            | 13.4             | 534,940                       | 10.4             | 25.6                                  |
| More than 1,000   | 800                | 1.2              | 3,265,640         | 19.7             | 999,460            | 28.7             | 2,266,180                     | 17.3             | 30.6                                  |
| All   | 64,830             | 100.0            | 205,240           | 100.0            | 43,060             | 100.0            | 162,190                       | 100.0            | 21.0                                  |

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 November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**

**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | -15.2              |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | -2.7               | 0.0                                   | -14.2              |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | -3.8               | 0.0                                   | -7.7               |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.3                | 0.0                                   | 0.5                |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 3.6                | 0.0                                   | 5.9                |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 14.4               | 0.0                                   | 10.0               |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 15.3               | 0.0                                   | 12.9               |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 36.8               | 0.0                                   | 17.8               |
| 200-500   | 0.0                               | 0.2               | 0.0   | 2.1                               | 30                         | 0.0                  | -0.1                   | 16.1               | 0.0                                   | 23.2               |
| 500-1,000   | 0.0                               | 15.6              | -0.3  | 8.1                               | 1,340                      | 0.7                  | 0.0                    | 4.0                | 0.2                                   | 29.1               |
| More than 1,000   | 0.0                               | 32.6              | -0.8  | 89.9                              | 34,000                     | 1.8                  | 0.2                    | 16.2               | 0.6                                   | 31.8               |
| All   | 0.0                               | 0.1               | -0.1  | 100.0                             | 30                         | 0.3                  | 0.0                    | 100.0              | 0.0                                   | 12.6               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 570                | 2.5              | 7,300             | 0.3              | -1,110             | -0.3             | 8,410                         | 0.3              | -15.2                                 |
| 10-20   | 2,280              | 9.9              | 16,920            | 2.4              | -2,400             | -2.7             | 19,320                        | 3.1              | -14.2                                 |
| 20-30   | 3,690              | 16.1             | 27,280            | 6.2              | -2,110             | -3.8             | 29,390                        | 7.6              | -7.7                                  |
| 30-40   | 3,210              | 14.0             | 37,920            | 7.5              | 180                | 0.3              | 37,740                        | 8.5              | 0.5                                   |
| 40-50   | 2,560              | 11.2             | 48,530            | 7.6              | 2,850              | 3.6              | 45,680                        | 8.2              | 5.9                                   |
| 50-75   | 4,440              | 19.4             | 66,480            | 18.1             | 6,660              | 14.5             | 59,820                        | 18.7             | 10.0                                  |
| 75-100  | 2,600              | 11.4             | 93,140            | 14.9             | 12,030             | 15.3             | 81,110                        | 14.8             | 12.9                                  |
| 100-200   | 2,970              | 13.0             | 142,700           | 26.1             | 25,390             | 37.0             | 117,310                       | 24.5             | 17.8                                  |
| 200-500   | 490                | 2.2              | 287,920           | 8.7              | 66,730             | 16.1             | 221,190                       | 7.7              | 23.2                                  |
| 500-1,000   | 40                 | 0.2              | 712,900           | 1.8              | 206,240            | 4.0              | 506,660                       | 1.4              | 28.9                                  |
| More than 1,000   | 20                 | 0.1              | 5,950,470         | 6.4              | 1,857,230          | 16.0             | 4,093,240                     | 5.1              | 31.2                                  |
| All   | 22,920             | 100.0            | 70,980            | 100.0            | 8,910              | 100.0            | 62,070                        | 100.0            | 12.6                                  |

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 November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | -16.1              |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | -0.5               | 0.0                                   | -14.4              |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | -0.6               | 0.0                                   | -7.5               |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.0                | 0.0                                   | 0.1                |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.5                | 0.0                                   | 5.0                |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 2.5                | 0.0                                   | 9.6                |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 3.4                | 0.0                                   | 12.6               |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 18.6               | 0.0                                   | 17.1               |
| 200-500   | 0.0                               | *                 | 0.0   | 0.2                               | *                          | 0.0                  | -0.2                   | 33.2               | 0.0                                   | 22.3               |
| 500-1,000   | 0.0                               | 17.0              | -0.3  | 15.3                              | 1,400                      | 0.7                  | 0.0                    | 13.6               | 0.2                                   | 26.5               |
| More than 1,000   | 0.0                               | 33.5              | -0.9  | 84.5                              | 19,270                     | 1.9                  | 0.4                    | 29.1               | 0.6                                   | 31.5               |
| All   | 0.0                               | 0.7               | -0.2  | 100.0                             | 220                        | 0.7                  | 0.0                    | 100.0              | 0.1                                   | 20.5               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 950                | 1.8              | 7,250             | 0.1              | -1,170             | -0.1             | 8,420                         | 0.1              | -16.1                                 |
| 10-20   | 3,480              | 6.7              | 16,840            | 0.7              | -2,420             | -0.5             | 19,260                        | 1.0              | -14.4                                 |
| 20-30   | 5,350              | 10.3             | 27,240            | 1.8              | -2,050             | -0.7             | 29,300                        | 2.4              | -7.5                                  |
| 30-40   | 4,720              | 9.1              | 37,840            | 2.1              | 50                 | 0.0              | 37,780                        | 2.7              | 0.1                                   |
| 40-50   | 3,560              | 6.9              | 48,490            | 2.1              | 2,400              | 0.5              | 46,090                        | 2.5              | 5.0                                   |
| 50-75   | 6,720              | 13.0             | 66,840            | 5.4              | 6,440              | 2.6              | 60,400                        | 6.1              | 9.6                                   |
| 75-100  | 4,960              | 9.6              | 94,130            | 5.6              | 11,820             | 3.5              | 82,310                        | 6.2              | 12.6                                  |
| 100-200   | 11,990             | 23.1             | 155,550           | 22.4             | 26,580             | 18.8             | 128,970                       | 23.3             | 17.1                                  |
| 200-500   | 8,150              | 15.7             | 311,680           | 30.5             | 69,560             | 33.4             | 242,130                       | 29.7             | 22.3                                  |
| 500-1,000   | 1,220              | 2.4              | 721,010           | 10.5             | 189,310            | 13.6             | 531,700                       | 9.8              | 26.3                                  |
| More than 1,000   | 490                | 1.0              | 3,226,040         | 19.0             | 997,430            | 28.8             | 2,228,610                     | 16.5             | 30.9                                  |
| All   | 51,810             | 100.0            | 160,950           | 100.0            | 32,780             | 100.0            | 128,160                       | 100.0            | 20.4                                  |

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 November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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 T22-0013**  
**Application of Net Investment Income Tax to Trade or Business Income of Certain High-Income Individuals**  
**in H.R.5376, The Build Back Better Act as Passed by the House of Representatives**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Level, 2023 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

| Expanded Cash Income Level (thousands of 2020 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>6</sup> |                    |
|---|-----------------------------------|-------------------|---|-----------------------------------|----------------------------|----------------------|------------------------|--------------------|---------------------------------------|--------------------|
|   | With Tax cut                      | With Tax Increase |   |                                   | Dollars                    | Percent <sup>5</sup> | 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                                   | 0.8                |
| 10-20   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.2                | 0.0                                   | 1.1                |
| 20-30   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.5                | 0.0                                   | 2.5                |
| 30-40   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 0.7                | 0.0                                   | 3.1                |
| 40-50   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 1.2                | 0.0                                   | 4.6                |
| 50-75   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 3.9                | 0.0                                   | 6.7                |
| 75-100  | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | 0.0                    | 5.9                | 0.0                                   | 9.6                |
| 100-200   | 0.0                               | 0.0               | 0.0   | 0.0                               | 0                          | 0.0                  | -0.1                   | 20.6               | 0.0                                   | 13.5               |
| 200-500   | 0.0                               | 0.1               | 0.0   | 0.2                               | *                          | 0.0                  | -0.1                   | 23.4               | 0.0                                   | 19.5               |
| 500-1,000   | 0.0                               | 17.2              | -0.3  | 12.1                              | 1,410                      | 0.8                  | 0.0                    | 9.5                | 0.2                                   | 24.8               |
| More than 1,000   | 0.0                               | 33.1              | -0.7  | 87.7                              | 20,010                     | 1.7                  | 0.3                    | 33.7               | 0.5                                   | 31.3               |
| All   | 0.0                               | 0.3               | -0.1  | 100.0                             | 100                        | 0.6                  | 0.0                    | 100.0              | 0.1                                   | 16.0               |

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Level, 2023 <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>6</sup> |
|---|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------------------|------------------|---------------------------------------|
|   | Number (thousands) | Percent of Total | Average (dollars) | Percent of Total | Average (dollars)  | Percent of Total | Average (dollars)             | Percent of Total |                                       |
| Less than 10  | 1,870              | 3.8              | 6,530             | 0.3              | 50                 | 0.0              | 6,480                         | 0.3              | 0.8                                   |
| 10-20   | 7,270              | 14.9             | 16,410            | 2.4              | 180                | 0.2              | 16,230                        | 2.9              | 1.1                                   |
| 20-30   | 6,040              | 12.4             | 26,770            | 3.3              | 660                | 0.5              | 26,110                        | 3.8              | 2.5                                   |
| 30-40   | 4,950              | 10.2             | 37,680            | 3.8              | 1,180              | 0.7              | 36,500                        | 4.4              | 3.1                                   |
| 40-50   | 4,130              | 8.5              | 48,410            | 4.1              | 2,200              | 1.2              | 46,200                        | 4.6              | 4.6                                   |
| 50-75   | 6,820              | 14.0             | 66,670            | 9.2              | 4,470              | 3.9              | 62,190                        | 10.3             | 6.7                                   |
| 75-100  | 5,170              | 10.6             | 93,920            | 9.9              | 8,980              | 5.9              | 84,940                        | 10.6             | 9.6                                   |
| 100-200   | 8,140              | 16.7             | 147,950           | 24.5             | 19,970             | 20.8             | 127,980                       | 25.2             | 13.5                                  |
| 200-500   | 3,050              | 6.3              | 310,570           | 19.2             | 60,420             | 23.5             | 250,150                       | 18.4             | 19.5                                  |
| 500-1,000   | 420                | 0.9              | 714,360           | 6.1              | 175,450            | 9.4              | 538,910                       | 5.5              | 24.6                                  |
| More than 1,000   | 220                | 0.4              | 3,944,850         | 17.2             | 1,216,010          | 33.3             | 2,728,840                     | 14.2             | 30.8                                  |
| All   | 48,680             | 100.0            | 101,100           | 100.0            | 16,080             | 100.0            | 85,020                        | 100.0            | 15.9                                  |

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 November 10, 2021. The provision would, in general, subject a high-income individual to net investment income tax of 3.8 percent on net income or net gain regardless of whether the taxpayer materially participates in a trade or business that generated the net income or net gain, where such net income or net gain would not otherwise be subject to FICA or SECA tax. The high income threshold amount would be \$500,000 in the case of a married couple filing a joint return or surviving spouse, \$250,000 in the case of a married individual filing a separate return, and \$400,000 in any other case.

<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) 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.

(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.