

Table T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Note: Excludes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	48,800	26.1	0.0	-0.8	*	0.0	4.0
Second Quintile	41,530	22.2	0.0	-1.5	-10	0.0	9.9
Middle Quintile	38,430	20.6	0.0	-3.0	-20	0.0	15.2
Fourth Quintile	30,990	16.6	0.0	-3.3	-30	0.0	18.9
Top Quintile	25,510	13.7	-0.2	84.4	840	0.2	26.8
All	186,800	100.0	-0.1	100.0	140	0.1	21.2
Addendum							
80-90	13,090	7.0	0.0	-0.9	-20	0.0	21.9
90-95	6,380	3.4	0.0	1.0	40	0.0	24.1
95-99	4,860	2.6	-0.1	4.7	250	0.0	27.6
Top 1 Percent	1,180	0.6	-0.8	79.6	17,120	0.5	32.5
Top 0.1 Percent	120	0.1	-1.4	64.1	134,650	0.9	32.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 7.7

Proposal: 7.7

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$32,000; 40% \$62,600; 60% \$111,200; 80% \$201,400; 90% \$292,900; 95% \$420,100; 99% \$1,017,200; 99.9% \$4,731,500.

(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) 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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Note: Excludes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	-0.8	*	-0.5	0.0	0.8	0.0	4.0
Second Quintile	0.0	-1.5	-10	-0.2	0.0	4.0	0.0	9.9
Middle Quintile	0.0	-3.0	-20	-0.1	-0.1	10.4	0.0	15.2
Fourth Quintile	0.0	-3.3	-30	-0.1	-0.1	18.5	0.0	18.9
Top Quintile	-0.2	84.4	840	0.6	0.1	66.0	0.2	26.8
All	-0.1	100.0	140	0.5	0.0	100.0	0.1	21.2
Addendum								
80-90	0.0	-0.9	-20	0.0	-0.1	14.6	0.0	21.9
90-95	0.0	1.0	40	0.0	-0.1	11.2	0.0	24.1
95-99	-0.1	4.7	250	0.1	-0.1	16.7	0.0	27.6
Top 1 Percent	-0.8	79.6	17,120	1.6	0.3	23.5	0.5	32.5
Top 0.1 Percent	-1.4	64.1	134,650	3.0	0.3	10.6	0.9	32.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	48,800	26.1	20,930	4.0	850	0.8	20,090	4.9	4.0
Second Quintile	41,530	22.2	52,080	8.6	5,140	4.0	46,940	9.8	9.9
Middle Quintile	38,430	20.6	95,620	14.5	14,510	10.5	81,110	15.6	15.2
Fourth Quintile	30,990	16.6	168,890	20.7	31,860	18.6	137,020	21.3	18.9
Top Quintile	25,510	13.7	515,870	52.1	137,410	65.9	378,470	48.4	26.6
All	#####	100.0	135,250	100.0	28,460	100.0	106,780	100.0	21.1
Addendum									
80-90	13,090	7.0	272,870	14.1	59,670	14.7	213,200	14.0	21.9
90-95	6,380	3.4	388,310	9.8	93,500	11.2	294,800	9.4	24.1
95-99	4,860	2.6	667,230	12.9	183,550	16.8	483,680	11.8	27.5
Top 1 Percent	1,180	0.6	3,271,980	15.3	1,045,140	23.2	2,226,840	13.2	31.9
Top 0.1 Percent	120	0.1	14,336,340	6.9	4,566,860	10.4	9,769,480	5.9	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 7.7

Proposal: 7.7

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$32,000; 40% \$62,600; 60% \$111,200; 80% \$201,400; 90% \$292,900; 95% \$420,100; 99% \$1,017,200; 99.9% \$4,731,500.

(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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate

Note: Excludes Premium Tax Credit

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	-0.9	-10	-1.8	0.0	0.2	0.0	1.5
Second Quintile	0.0	-1.5	-10	-0.2	0.0	3.0	0.0	8.8
Middle Quintile	0.0	-3.5	-20	-0.2	-0.1	8.5	0.0	13.8
Fourth Quintile	0.0	-4.3	-30	-0.1	-0.1	17.7	0.0	18.4
Top Quintile	-0.2	86.0	680	0.6	0.1	70.3	0.2	26.5
All	-0.1	100.0	140	0.5	0.0	100.0	0.1	21.2
Addendum								
80-90	0.0	-1.1	-20	0.0	-0.1	15.5	0.0	21.6
90-95	0.0	0.7	20	0.0	-0.1	12.1	0.0	23.8
95-99	-0.1	5.0	210	0.1	-0.1	18.1	0.0	27.1
Top 1 Percent	-0.7	81.3	14,310	1.6	0.3	24.6	0.5	32.3
Top 0.1 Percent	-1.4	66.1	115,740	2.9	0.3	11.2	0.9	32.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	40,760	21.8	19,880	3.2	290	0.2	19,590	4.0	1.5
Second Quintile	39,210	21.0	46,840	7.3	4,140	3.1	42,710	8.4	8.8
Middle Quintile	38,240	20.5	85,620	13.0	11,870	8.5	73,750	14.1	13.9
Fourth Quintile	34,810	18.6	147,580	20.3	27,120	17.8	120,460	21.0	18.4
Top Quintile	32,240	17.3	440,260	56.2	115,780	70.2	324,470	52.5	26.3
All	#####	100.0	135,250	100.0	28,460	100.0	106,780	100.0	21.1
Addendum									
80-90	16,450	8.8	233,480	15.2	50,470	15.6	183,000	15.1	21.6
90-95	8,120	4.4	335,140	10.8	79,750	12.2	255,390	10.4	23.8
95-99	6,220	3.3	572,990	14.1	154,840	18.1	418,150	13.1	27.0
Top 1 Percent	1,440	0.8	2,816,020	16.1	894,500	24.3	1,921,520	13.9	31.8
Top 0.1 Percent	150	0.1	12,527,200	7.2	3,990,060	10.9	8,537,140	6.2	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 7.7

Proposal: 7.7

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$22,800; 40% \$44,000; 60% \$74,900; 80% \$124,000; 90% \$179,700; 95% \$252,500; 99% \$594,700; 99.9% \$2,684,700.

(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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate

Note: Excludes Premium Tax Credit

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Lowest Quintile	0.0	-2.0	*	-0.5	0.0	1.5	0.0	4.6
Second Quintile	0.0	-1.1	*	-0.1	0.0	5.9	0.0	9.6
Middle Quintile	0.0	-3.5	-10	-0.1	-0.1	14.1	0.0	14.5
Fourth Quintile	0.0	-2.0	-10	0.0	-0.1	22.6	0.0	19.4
Top Quintile	-0.2	96.6	500	0.7	0.2	55.7	0.2	26.9
All	-0.1	100.0	50	0.4	0.0	100.0	0.1	19.4
Addendum								
80-90	0.0	1.9	20	0.1	-0.1	15.4	0.0	22.8
90-95	-0.1	3.8	80	0.1	0.0	10.2	0.0	24.6
95-99	-0.1	7.1	210	0.2	0.0	13.8	0.1	27.6
Top 1 Percent	-1.0	83.8	12,380	2.0	0.3	16.3	0.7	33.8
Top 0.1 Percent	-1.8	68.2	102,920	3.5	0.2	7.6	1.2	34.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	26,280	28.3	16,020	6.1	740	1.5	15,270	7.2	4.7
Second Quintile	21,940	23.7	37,440	11.9	3,580	5.9	33,860	13.4	9.6
Middle Quintile	19,540	21.1	66,430	18.8	9,660	14.2	56,760	20.0	14.6
Fourth Quintile	14,420	15.6	108,210	22.7	20,980	22.7	87,230	22.6	19.4
Top Quintile	9,710	10.5	285,470	40.2	76,220	55.5	209,250	36.6	26.7
All	92,760	100.0	74,270	100.0	14,370	100.0	59,900	100.0	19.4
Addendum									
80-90	5,390	5.8	167,470	13.1	38,110	15.4	129,370	12.6	22.8
90-95	2,300	2.5	241,300	8.1	59,340	10.2	181,960	7.5	24.6
95-99	1,680	1.8	398,740	9.7	109,930	13.8	288,800	8.7	27.6
Top 1 Percent	340	0.4	1,901,010	9.4	630,080	16.0	1,270,940	7.8	33.1
Top 0.1 Percent	30	0.0	8,742,780	4.2	2,943,110	7.3	5,799,670	3.5	33.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle

A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$22,800; 40% \$44,000; 60% \$74,900; 80% \$124,000; 90% \$179,700; 95% \$252,500; 99% \$594,700; 99.9% \$2,684,700.

(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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate

Note: Excludes Premium Tax Credit

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (%) Points	Under the Proposal	Change (%) Points	Under the Proposal
Lowest Quintile	0.0	-0.3	-10	-1.4	0.0	0.1	0.0	1.9
Second Quintile	0.0	-0.8	-20	-0.4	0.0	1.1	0.0	7.1
Middle Quintile	0.0	-2.7	-40	-0.3	0.0	5.0	0.0	12.7
Fourth Quintile	0.0	-4.7	-50	-0.2	-0.1	14.9	0.0	17.5
Top Quintile	-0.2	79.8	690	0.5	0.0	78.6	0.1	26.3
All	-0.2	100.0	270	0.5	0.0	100.0	0.1	22.6
Addendum								
80-90	0.0	-1.7	-30	-0.1	-0.1	16.1	0.0	21.1
90-95	0.0	-0.1	-10	0.0	-0.1	13.4	0.0	23.6
95-99	0.0	4.7	200	0.1	-0.1	20.9	0.0	26.9
Top 1 Percent	-0.6	76.9	13,390	1.4	0.2	28.2	0.4	32.1
Top 0.1 Percent	-1.2	60.5	108,190	2.5	0.2	12.3	0.8	32.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	6,630	10.2	26,790	1.1	510	0.1	26,280	1.4	1.9
Second Quintile	8,810	13.5	61,160	3.4	4,380	1.1	56,780	4.1	7.2
Middle Quintile	12,470	19.1	111,380	8.9	14,150	5.0	97,240	10.0	12.7
Fourth Quintile	16,510	25.3	182,690	19.2	32,050	15.0	150,640	20.4	17.5
Top Quintile	20,440	31.3	517,700	67.4	135,480	78.6	382,210	64.2	26.2
All	65,350	100.0	240,180	100.0	53,920	100.0	186,260	100.0	22.5
Addendum									
80-90	9,900	15.1	272,300	17.2	57,450	16.1	214,850	17.5	21.1
90-95	5,280	8.1	381,640	12.8	89,870	13.5	291,780	12.7	23.6
95-99	4,250	6.5	648,920	17.6	174,330	21.0	474,590	16.6	26.9
Top 1 Percent	1,020	1.6	3,067,000	19.9	970,390	28.0	2,096,610	17.5	31.6
Top 0.1 Percent	100	0.2	13,478,530	8.5	4,278,800	12.0	9,199,740	7.5	31.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle

A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$22,800; 40% \$44,000; 60% \$74,900; 80% \$124,000; 90% \$179,700; 95% \$252,500; 99% \$594,700; 99.9% \$2,684,700.

(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 T22-0018
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As Passed by the Senate
Note: Excludes Premium Tax Credit
Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	93.5	-10	0.5	0.0	-4.1	0.0	-6.0
Second Quintile	0.0	230.4	-20	-0.4	-0.1	12.9	0.0	8.9
Middle Quintile	0.1	294.6	-40	-0.3	-0.1	24.6	0.0	14.5
Fourth Quintile	0.1	232.6	-60	-0.2	-0.1	28.8	0.0	19.7
Top Quintile	-0.2	#####	440	0.5	0.2	37.7	0.1	25.7
All	0.0	100.0	*	0.0	0.0	100.0	0.0	14.8
Addendum								
80-90	0.0	60.9	-60	-0.1	0.0	12.7	0.0	22.7
90-95	0.0	-3.4	10	0.0	0.0	7.0	0.0	22.9
95-99	0.0	-23.7	130	0.1	0.0	6.1	0.0	26.8
Top 1 Percent	-0.7	#####	16,010	1.5	0.2	11.9	0.5	31.8
Top 0.1 Percent	-1.1	#####	155,530	2.5	0.2	7.0	0.8	32.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	7,320	30.9	27,660	10.1	-1,640	-4.1	29,290	12.6	-5.9
Second Quintile	7,380	31.2	58,270	21.5	5,190	13.0	53,080	23.0	8.9
Middle Quintile	5,020	21.2	99,580	25.0	14,500	24.7	85,080	25.1	14.6
Fourth Quintile	2,750	11.6	156,130	21.5	30,870	28.8	125,250	20.3	19.8
Top Quintile	1,150	4.9	375,430	21.7	95,980	37.5	279,450	18.9	25.6
All	23,690	100.0	84,310	100.0	12,450	100.0	71,860	100.0	14.8
Addendum									
80-90	700	3.0	234,380	8.3	53,180	12.7	181,200	7.5	22.7
90-95	300	1.3	306,330	4.5	70,120	7.0	236,220	4.1	22.9
95-99	120	0.5	548,850	3.4	147,030	6.1	401,830	2.9	26.8
Top 1 Percent	30	0.1	3,357,300	5.6	1,050,380	11.8	2,306,920	4.5	31.3
Top 0.1 Percent	*	0.0	19,898,480	3.2	6,292,430	6.8	13,606,060	2.5	31.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle

A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$22,800; 40% \$44,000; 60% \$74,900; 80% \$124,000; 90% \$179,700; 95% \$252,500; 99% \$594,700; 99.9% \$2,684,700.

(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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate

Note: Excludes Premium Tax Credit

Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	-1.4	-10	0.6	0.0	-0.8	0.0	-5.3
Second Quintile	0.0	-3.9	-30	-0.4	0.0	3.0	0.0	9.3
Middle Quintile	0.1	-7.7	-60	-0.3	-0.1	8.1	-0.1	15.2
Fourth Quintile	0.1	-13.0	-100	-0.2	-0.1	18.0	-0.1	20.0
Top Quintile	-0.2	95.4	730	0.4	0.1	71.5	0.1	27.8
All	-0.1	100.0	140	0.3	0.0	100.0	0.1	22.4
Addendum								
80-90	0.0	-7.1	-110	-0.2	-0.1	15.4	0.0	23.0
90-95	0.0	-2.5	-80	-0.1	-0.1	11.7	0.0	25.3
95-99	0.0	0.3	10	0.0	-0.1	18.5	0.0	28.6
Top 1 Percent	-0.6	104.6	15,330	1.3	0.3	25.9	0.4	32.7
Top 0.1 Percent	-1.2	87.4	132,870	2.7	0.3	11.0	0.9	32.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	11,100	21.5	28,590	3.2	-1,510	-0.8	30,100	4.4	-5.3
Second Quintile	11,180	21.6	63,110	7.2	5,890	3.0	57,220	8.4	9.3
Middle Quintile	9,930	19.2	117,710	11.9	18,000	8.1	99,720	12.9	15.3
Fourth Quintile	9,820	19.0	202,500	20.2	40,600	18.1	161,900	20.8	20.1
Top Quintile	9,470	18.3	600,800	57.7	166,320	71.4	434,490	53.7	27.7
All	51,730	100.0	190,610	100.0	42,620	100.0	147,990	100.0	22.4
Addendum									
80-90	4,780	9.3	310,090	15.0	71,330	15.5	238,760	14.9	23.0
90-95	2,310	4.5	441,900	10.4	112,060	11.8	329,830	10.0	25.4
95-99	1,880	3.6	760,150	14.5	217,480	18.5	542,670	13.3	28.6
Top 1 Percent	490	1.0	3,561,790	17.8	1,148,170	25.7	2,413,620	15.5	32.2
Top 0.1 Percent	50	0.1	15,655,120	7.5	4,972,090	10.7	10,683,030	6.6	31.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

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 August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle

A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions

with an annual revenue change of less than \$100 million in the years of our analysis.

<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 2022 dollars): 20% \$22,800; 40% \$44,000; 60% \$74,900; 80% \$124,000; 90% \$179,700; 95% \$252,500; 99% \$594,700; 99.9% \$2,684,700.

(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 T22-0018
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Note: Excludes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	-0.3	*	-1.3	0.0	0.2	0.0	1.2
Second Quintile	0.0	0.6	10	0.4	0.0	1.8	0.0	3.2
Middle Quintile	0.0	1.0	10	0.2	-0.1	7.5	0.0	7.9
Fourth Quintile	-0.1	3.9	50	0.3	-0.1	15.2	0.0	12.7
Top Quintile	-0.4	76.7	1,320	1.3	0.0	74.6	0.3	24.6
All	-0.3	100.0	240	1.2	0.0	100.0	0.2	16.9
Addendum								
80-90	-0.1	5.3	170	0.5	-0.1	13.3	0.1	17.1
90-95	-0.1	4.0	300	0.5	-0.1	9.9	0.1	19.9
95-99	-0.2	8.2	740	0.6	-0.1	17.5	0.1	24.9
Top 1 Percent	-1.0	59.3	19,620	2.2	0.3	33.8	0.7	32.2
Top 0.1 Percent	-1.6	47.9	126,240	3.4	0.4	17.9	1.1	32.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁶
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	9,980	19.0	19,780	3.3	240	0.2	19,540	3.9	1.2
Second Quintile	13,190	25.1	42,950	9.3	1,360	1.8	41,590	10.8	3.2
Middle Quintile	12,350	23.5	78,920	16.0	6,200	7.6	72,720	17.7	7.9
Fourth Quintile	9,190	17.5	133,780	20.2	16,920	15.4	116,850	21.2	12.7
Top Quintile	7,240	13.8	428,830	51.1	104,140	74.5	324,690	46.4	24.3
All	52,600	100.0	115,530	100.0	19,230	100.0	96,310	100.0	16.6
Addendum									
80-90	3,800	7.2	210,450	13.2	35,770	13.4	174,680	13.1	17.0
90-95	1,690	3.2	302,110	8.4	59,800	10.0	242,310	8.1	19.8
95-99	1,380	2.6	521,750	11.8	129,330	17.6	392,420	10.7	24.8
Top 1 Percent	380	0.7	2,870,290	17.7	903,830	33.5	1,966,460	14.6	31.5
Top 0.1 Percent	50	0.1	11,858,160	9.2	3,770,470	17.6	8,087,690	7.5	31.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

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 August 10, 2022. Includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); Subtitle C (Affordable Care Act Subsidies); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis.

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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(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.