

Table T23-0034
Major Tax Provisions in the Administration's FY2024 Budget Proposal
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Percentile, 2024 ¹
Baseline: Current Law

Expanded Cash Income Percentile ^{2,3}	Tax Units		Tax Units with Tax Increase or Cut ⁴				Average Tax Change (Dollars) For all Tax Units	
	Number (thousands)	Percent of Total	With Tax Cut		With Tax Increase		All Provisions ⁵	Major Provisions Included Here ⁶
			Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)		
Lowest Quintile	48,010	26.2	37.5	-1,650	34.6	120	-570	-570
Second Quintile	40,610	22.2	28.6	-2,040	67.3	280	-390	-400
Middle Quintile	37,470	20.5	22.6	-1,930	76.6	570	20	*
Fourth Quintile	30,300	16.6	27.5	-1,730	72.4	1,220	470	410
Top Quintile	25,110	13.7	8.5	-1,260	91.4	18,330	17,700	16,650
All	183,030	100.0	26.7	-1,790	64.7	4,030	2,290	2,130
Addendum								
80-90	12,870	7.0	15.3	-1,280	84.6	2,080	1,680	1,570
90-95	6,280	3.4	2.3	-1,150	97.6	3,210	3,360	3,100
95-99	4,810	2.6	0.3	-770	99.7	10,580	11,310	10,540
Top 1 Percent	1,160	0.6	0.0	0	100.0	282,460	299,260	282,450
Top 0.1 Percent	120	0.1	0.0	0	100.0	1,897,020	1,980,410	1,897,020

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

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

(1) Calendar year. Baseline is the law currently in place as of December 28, 2022.

<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% \$30,800; 40% \$60,400; 60% \$107,300; 80% \$194,800; 90% \$284,400; 95% \$410,200; 99% \$993,700; 99.9% \$4,459,900.

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

(5) Includes provisions as described in Treasury's General Explanations of the Administration's Fiscal Year 2024 Revenue Proposals (the "Green Book") with the exception of provisions related to: tax compliance; tax administration; and the premium tax credit. Also excludes provisions with a revenue impact less than \$100 million in the years of our analysis; and three aspects of changes to the child tax credit—the acceleration of benefits due to advance monthly payments, changes to AGI lookback, and provisions related to eligibility.

(6) Due to data limitations, in addition to the provisions outlined in note (5), we also exclude the following provisions: prevent basis shifting by related parties through partnerships; restrict deductions of excessive interest of members of financial reporting groups; modify foreign oil and gas extraction income and foreign oil related income rules; modify tax rule for dual capacity taxpayers; make permanent the new markets tax credit; provide a neighborhood homes credit; expand and enhance the low-income housing credit; repeal the expensing of intangible drilling costs; repeal the use of percentage depletion with respect to oil and gas wells; increase geological amortization period for independent producers; repeal expensing of exploration and development costs; repeal accelerated amortization of air pollution control equipment; prevent excessive accumulations in tax-favored retirement accounts; make the adoption tax credit refundable; modify income, estate, gift, and generation-skipping transfer tax rules for certain trusts; revise rules for valuation of certain property; tax carried interests as ordinary income; repeal deferral of gain from like-kind exchanges; require 100 percent recapture of depreciation deductions for certain depreciable real property; correct drafting errors in the taxation of insurance companies under the Tax Cuts and Jobs Act of 2017; apply the wash sale rules to digital assets; and amend the mark-to-market rules to include digital assets.