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**Table T23-0048**  
**Energy Security Production Tax Credit Provisions in**  
**H.R.5376, The Inflation Reduction Act of 2022 (IRA)**  
**Baseline: Pre-IRA Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		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>	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	48,800	26.1	0.1	7.6	-10	-0.1	4.0
<b>Second Quintile</b>	41,530	22.2	0.1	12.1	-20	0.0	9.8
<b>Middle Quintile</b>	38,430	20.6	0.0	16.9	-30	0.0	15.1
<b>Fourth Quintile</b>	30,990	16.6	0.0	21.7	-50	0.0	18.8
<b>Top Quintile</b>	25,510	13.7	0.0	41.2	-120	0.0	26.6
<b>All</b>	186,800	100.0	0.0	100.0	-40	0.0	21.0
<b>Addendum</b>							
<b>80-90</b>	13,090	7.0	0.0	13.4	-80	0.0	21.8
<b>90-95</b>	6,380	3.4	0.0	8.7	-100	0.0	24.0
<b>95-99</b>	4,860	2.6	0.0	10.4	-160	0.0	27.5
<b>Top 1 Percent</b>	1,180	0.6	0.0	8.7	-560	0.0	31.9
<b>Top 0.1 Percent</b>	120	0.1	0.0	3.3	-2,050	0.0	31.8

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 in place before the enactment of the Inflation Reduction Act of 2022.

Provisions include: extension and modification of credit for electricity produced from certain renewable resources; credit for production of clean hydrogen; clean electricity production credit; clean fuel production credit; and extension of incentives for biodiesel, renewable diesel and alternative fuels.

For more information on TPC's baseline definitions, see:

<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.

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**H.R.5376, The Inflation Reduction Act of 2022 (IRA)**  
**Baseline: Pre-IRA Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</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>	
			Dollars	Percent <sup>5</sup>	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	0.1	7.6	-10	-1.4	0.0	0.8	-0.1	4.0
Second Quintile	0.1	12.1	-20	-0.4	0.0	4.0	0.0	9.8
Middle Quintile	0.0	16.9	-30	-0.2	0.0	10.5	0.0	15.1
Fourth Quintile	0.0	21.7	-50	-0.2	0.0	18.6	0.0	18.8
Top Quintile	0.0	41.2	-120	-0.1	0.0	66.0	0.0	26.6
All	0.0	100.0	-40	-0.1	0.0	100.0	0.0	21.0
<b>Addendum</b>								
80-90	0.0	13.4	-80	-0.1	0.0	14.7	0.0	21.8
90-95	0.0	8.7	-100	-0.1	0.0	11.2	0.0	24.0
95-99	0.0	10.4	-160	-0.1	0.0	16.8	0.0	27.5
Top 1 Percent	0.0	8.7	-560	-0.1	0.0	23.3	0.0	31.9
Top 0.1 Percent	0.0	3.3	-2,050	0.0	0.0	10.4	0.0	31.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</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	
Lowest Quintile	48,800	26.1	20,930	4.0	840	0.8	20,090	4.9	4.0
Second Quintile	41,530	22.2	52,080	8.6	5,130	4.0	46,950	9.8	9.8
Middle Quintile	38,430	20.6	95,620	14.5	14,490	10.5	81,130	15.6	15.2
Fourth Quintile	30,990	16.6	168,890	20.7	31,830	18.6	137,060	21.3	18.9
Top Quintile	25,510	13.7	515,870	52.1	137,320	66.0	378,560	48.4	26.6
All	#####	100.0	135,250	100.0	28,440	100.0	106,810	100.0	21.0
<b>Addendum</b>									
80-90	13,090	7.0	272,870	14.1	59,610	14.7	213,250	14.0	21.9
90-95	6,380	3.4	388,310	9.8	93,430	11.2	294,880	9.4	24.1
95-99	4,860	2.6	667,230	12.9	183,430	16.8	483,800	11.8	27.5
Top 1 Percent	1,180	0.6	3,271,980	15.3	1,044,720	23.2	2,227,260	13.2	31.9
Top 0.1 Percent	120	0.1	14,336,340	6.9	4,565,340	10.4	9,770,990	5.9	31.8

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 in place before the enactment of the Inflation Reduction Act of 2022.

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(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The 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.