

**Table T07-0055**  
**Current Law Tax Benefits for Health Insurance**  
**Distribution of Subsidies by Cash Income Percentile, 2009<sup>1</sup>**  
**Nondependent Tax Units with Head or Spouse Under 65**

Cash Income Class (thousands of 2006 dollars) <sup>2,3</sup>	Percent with Priv. Health Insurance <sup>4</sup>	Average Premium (\$)			Average Subsidy (\$)			Subsidy as a Percent of Premium			Premium as a Percent of Income <sup>5</sup>			After-Tax Premium as a Percent of Income <sup>6</sup>		
		All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only
<b>Lowest Quintile</b>	25.8	4,877	4,552	5,508	350	437	5	7.2	9.6	0.1	41.5	36.3	64.1	38.5	32.8	64.1
<b>Second Quintile</b>	55.4	7,098	6,875	7,200	1,551	1,724	37	21.9	25.1	0.5	25.3	24.0	32.0	19.8	18.0	31.8
<b>Middle Quintile</b>	75.7	8,201	7,968	7,451	2,158	2,277	147	26.3	28.6	2.0	17.4	16.8	18.6	12.8	12.0	18.2
<b>Fourth Quintile</b>	89.4	10,429	10,127	8,317	3,214	3,341	327	30.8	33.0	3.9	13.1	12.7	11.8	9.1	8.5	11.3
<b>Top Quintile</b>	95.1	12,929	12,646	9,244	4,492	4,659	805	34.7	36.8	8.7	5.8	5.7	3.8	3.8	3.6	3.5
<b>All</b>	69.7	9,809	9,617	7,501	2,906	3,090	250	29.6	32.1	3.3	9.6	9.3	10.3	6.8	6.3	9.9
<b>Addendum</b>																
<b>Top 10 Percent</b>	96.4	13,309	13,048	9,478	4,589	4,749	1,132	34.5	36.4	11.9	4.2	4.1	2.7	2.7	2.6	2.4
<b>Top 5 Percent</b>	96.2	13,246	13,001	9,076	4,633	4,790	1,512	35.0	36.8	16.7	2.8	2.8	1.8	1.8	1.7	1.5
<b>Top 1 Percent</b>	95.5	12,309	12,092	9,540	4,139	4,252	2,364	33.6	35.2	24.8	1.0	0.9	0.8	0.6	0.6	0.6
<b>Top 0.5 Percent</b>	94.9	12,239	12,036	9,699	4,285	4,391	2,651	35.0	36.5	27.3	0.6	0.6	0.5	0.4	0.4	0.4
<b>Top 0.1 Percent</b>	93.9	12,230	11,938	10,615	4,247	4,331	2,804	34.7	36.3	26.4	0.2	0.2	0.2	0.1	0.1	0.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Benefits are calculated as the change in tax liability between a baseline of current law modified to include pre-tax employer sponsored health insurance premiums in taxable compensation, to disallow the self-employed health insurance deduction, and to disallow the itemized deduction for medical expenses for all except Medicare beneficiaries, and an alternative consisting of current law. Following convention, the estimates are static and do not incorporate behavioral responses. In particular, they do not account for the gains of those who newly obtain health insurance, the losses of those who lose coverage due to the proposal, or the potential reductions in both premiums and comprehensiveness of health insurance.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) For the income levels at each quintile and the top income percentiles used in this table, see

<http://www.taxpolicycenter.org/TaxModel/percentiles.cfm>

(4) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(5) Income used to calculate premium as a percent of income and after-tax premium as a percent of income is cash income plus the value of pre-tax employer sponsored health insurance premiums.

(6) After-tax premium is the average premium less the average subsidy.