

Table T07-0059
Current Law Tax Benefits for Health Insurance
Distribution of Subsidies by Cash Income Percentile, 2017¹
Nondependent Tax Units with Head or Spouse Under 65

Cash Income Class (thousands of 2006 dollars) ^{2,3}	Percent with Priv. Health Insurance ⁴	Average Premium (\$)			Average Subsidy (\$)			Subsidy as a Percent of Premium			Premium as a Percent of Income ⁵			After-Tax Premium as a Percent of Income ⁶		
		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
Lowest Quintile	28.4	8,293	7,771	9,269	1,065	1,316	15	12.8	16.9	0.2	46.9	40.9	77.5	40.9	34.0	77.4
Second Quintile	55.3	11,376	11,040	11,565	2,903	3,245	80	25.5	29.4	0.7	29.0	27.4	37.8	21.6	19.3	37.5
Middle Quintile	74.9	13,189	12,812	12,328	3,885	4,117	239	29.5	32.1	1.9	20.5	19.7	23.3	14.5	13.4	22.9
Fourth Quintile	89.0	16,279	15,788	13,325	5,616	5,847	521	34.5	37.0	3.9	15.2	14.7	14.3	10.0	9.2	13.7
Top Quintile	94.8	20,333	19,887	14,830	7,496	7,805	1,094	36.9	39.2	7.4	6.8	6.6	4.7	4.3	4.0	4.3
All	69.8	15,506	15,194	12,199	5,062	5,400	378	32.6	35.5	3.1	11.2	10.7	12.3	7.6	6.9	11.9
Addendum																
Top 10 Percent	96.1	21,037	20,634	15,212	7,828	8,134	1,564	37.2	39.4	10.3	4.9	4.8	3.2	3.1	2.9	2.9
Top 5 Percent	96.0	21,004	20,612	14,879	7,868	8,160	2,207	37.5	39.6	14.8	3.3	3.3	2.1	2.1	2.0	1.8
Top 1 Percent	95.0	19,498	19,201	14,949	7,762	8,035	3,737	39.8	41.8	25.0	1.1	1.1	0.9	0.7	0.6	0.7
Top 0.5 Percent	94.8	19,519	19,211	15,627	7,787	8,044	4,095	39.9	41.9	26.2	0.7	0.7	0.6	0.4	0.4	0.5
Top 0.1 Percent	93.8	19,451	19,036	16,985	7,555	7,769	4,322	38.8	40.8	25.4	0.3	0.2	0.2	0.2	0.1	0.2

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.