

Table T07-0063
Proposal Tax Benefits for Health Insurance
Distribution of Subsidies by Cash Income Percentile, 2009¹
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	25.8	4,877	4,552	5,508	895	1,009	417	18.4	22.2	7.6	41.5	36.3	64.1	33.9	28.3	59.3
Second Quintile	55.4	7,098	6,875	7,200	2,033	2,129	1,138	28.6	31.0	15.8	25.3	24.0	32.0	18.1	16.5	26.9
Middle Quintile	75.7	8,201	7,968	7,451	2,777	2,824	1,830	33.9	35.4	24.6	17.4	16.8	18.6	11.5	10.8	14.0
Fourth Quintile	89.4	10,429	10,127	8,317	3,970	3,996	2,978	38.1	39.5	35.8	13.1	12.7	11.8	8.1	7.7	7.6
Top Quintile	95.1	12,929	12,646	9,244	4,866	4,895	3,927	37.6	38.7	42.5	5.8	5.7	3.8	3.6	3.5	2.2
All	69.7	9,809	9,617	7,501	3,463	3,554	1,974	35.3	37.0	26.3	9.6	9.3	10.3	6.2	5.8	7.6
Addendum																
Top 10 Percent	96.4	13,309	13,048	9,478	4,834	4,861	4,016	36.3	37.3	42.4	4.2	4.1	2.7	2.7	2.6	1.5
Top 5 Percent	96.2	13,246	13,001	9,076	4,834	4,863	4,071	36.5	37.4	44.9	2.8	2.8	1.8	1.8	1.7	1.0
Top 1 Percent	95.5	12,309	12,092	9,540	4,520	4,519	4,434	36.7	37.4	46.5	1.0	0.9	0.8	0.6	0.6	0.4
Top 0.5 Percent	94.9	12,239	12,036	9,699	4,668	4,671	4,522	38.1	38.8	46.6	0.6	0.6	0.5	0.4	0.4	0.3
Top 0.1 Percent	93.9	12,230	11,938	10,615	4,629	4,615	4,673	37.8	38.7	44.0	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 law under the proposed standard deduction for health insurance excluding changes in the EITC provisions. 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.