

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Summary Table**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average<br>Federal Tax<br>Change (\$) | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|---------------------------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   |                                       | Change (%)<br>Points)                 | Under the<br>Proposal |
| <b>Less than 10</b>  | 1.1                               | 4.4                  | 0.0  | 0.0                                     | 1                                     | 0.0                                   | -0.2                  |
| <b>10-20</b>   | 1.2                               | 9.9                  | -0.1   | 1.6                                     | 13                                    | 0.1                                   | 1.6                   |
| <b>20-30</b>   | 0.3                               | 19.5                 | -0.2   | 5.3                                     | 47                                    | 0.2                                   | 7.0                   |
| <b>30-40</b>   | 0.1                               | 28.9                 | -0.3   | 6.5                                     | 77                                    | 0.2                                   | 11.9                  |
| <b>40-50</b>   | 0.1                               | 35.6                 | -0.3   | 7.2                                     | 104                                   | 0.2                                   | 14.6                  |
| <b>50-75</b>   | 0.1                               | 41.5                 | -0.3   | 19.4                                    | 144                                   | 0.2                                   | 17.0                  |
| <b>75-100</b>  | 0.1                               | 46.4                 | -0.3   | 19.7                                    | 208                                   | 0.2                                   | 18.7                  |
| <b>100-200</b>   | 0.1                               | 50.1                 | -0.3   | 30.8                                    | 295                                   | 0.2                                   | 21.6                  |
| <b>200-500</b>   | 0.0                               | 45.2                 | -0.1   | 7.8                                     | 302                                   | 0.1                                   | 24.2                  |
| <b>500-1,000</b>   | 0.0                               | 40.5                 | -0.1   | 1.1                                     | 243                                   | 0.0                                   | 24.1                  |
| <b>More than 1,000</b>   | 0.0                               | 38.2                 | 0.0  | 0.5                                     | 240                                   | 0.0                                   | 27.2                  |
| <b>All</b>   | 0.4                               | 30.3                 | -0.2   | 100.0                                   | 120                                   | 0.2                                   | 19.3                  |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 29.8

Proposal: 30.3

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |  |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 1.1                               | 4.4               | 0.0  | 0.0                                     | 1                          | -3.8    | 0.0                    | 0.0                   | 0.0                                   | -0.2                  |
| 10-20  | 1.2                               | 9.9               | -0.1   | 1.6                                     | 13                         | 5.6     | 0.0                    | 0.3                   | 0.1                                   | 1.6                   |
| 20-30  | 0.3                               | 19.5              | -0.2   | 5.3                                     | 47                         | 2.7     | 0.0                    | 1.8                   | 0.2                                   | 7.0                   |
| 30-40  | 0.1                               | 28.9              | -0.3   | 6.5                                     | 77                         | 1.9     | 0.0                    | 3.1                   | 0.2                                   | 11.9                  |
| 40-50  | 0.1                               | 35.6              | -0.3   | 7.2                                     | 104                        | 1.6     | 0.0                    | 4.0                   | 0.2                                   | 14.6                  |
| 50-75  | 0.1                               | 41.5              | -0.3   | 19.4                                    | 144                        | 1.4     | 0.1                    | 12.6                  | 0.2                                   | 17.0                  |
| 75-100   | 0.1                               | 46.4              | -0.3   | 19.7                                    | 208                        | 1.3     | 0.1                    | 13.6                  | 0.2                                   | 18.7                  |
| 100-200  | 0.1                               | 50.1              | -0.3   | 30.8                                    | 295                        | 1.0     | 0.0                    | 26.8                  | 0.2                                   | 21.6                  |
| 200-500  | 0.0                               | 45.2              | -0.1   | 7.8                                     | 302                        | 0.4     | -0.1                   | 15.9                  | 0.1                                   | 24.2                  |
| 500-1,000  | 0.0                               | 40.5              | -0.1   | 1.1                                     | 243                        | 0.2     | -0.1                   | 6.8                   | 0.0                                   | 24.1                  |
| More than 1,000  | 0.0                               | 38.2              | 0.0  | 0.5                                     | 240                        | 0.0     | -0.1                   | 15.1                  | 0.0                                   | 27.2                  |
| All  | 0.4                               | 30.3              | -0.2   | 100.0                                   | 120                        | 0.9     | 0.0                    | 100.0                 | 0.2                                   | 19.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-<br>Tax Income | Share of Post-<br>Tax Income | Share of<br>Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Percent of<br>Total         | Percent of<br>Total          |                           |
| Less than 10   | 14,522                 | 9.5                 | 5,581                          | -13   | 5,594  | -0.2  | 0.8                         | 0.9                          | 0.0                       |
| 10-20  | 21,822                 | 14.2                | 15,371                         | 235   | 15,136   | 1.5   | 3.1                         | 3.8                          | 0.3                       |
| 20-30  | 20,860                 | 13.6                | 25,204                         | 1,715   | 23,490   | 6.8   | 4.9                         | 5.6                          | 1.7                       |
| 30-40  | 15,359                 | 10.0                | 35,380                         | 4,139   | 31,242   | 11.7  | 5.0                         | 5.5                          | 3.1                       |
| 40-50  | 12,697                 | 8.3                 | 45,565                         | 6,558   | 39,007   | 14.4  | 5.3                         | 5.7                          | 4.0                       |
| 50-75  | 24,754                 | 16.2                | 62,777                         | 10,501  | 52,276   | 16.7  | 14.3                        | 14.8                         | 12.5                      |
| 75-100   | 17,361                 | 11.3                | 88,126                         | 16,240  | 71,886   | 18.4  | 14.1                        | 14.2                         | 13.6                      |
| 100-200  | 19,119                 | 12.5                | 135,956                        | 29,098  | 106,858  | 21.4  | 24.0                        | 23.3                         | 26.8                      |
| 200-500  | 4,732                  | 3.1                 | 290,163                        | 70,021  | 220,142  | 24.1  | 12.7                        | 11.9                         | 15.9                      |
| 500-1,000  | 861                    | 0.6                 | 691,092                        | 166,070                                       | 525,022  | 24.0  | 5.5                         | 5.2                          | 6.9                       |
| More than 1,000  | 407                    | 0.3                 | 2,855,781                      | 777,629                                       | 2,078,152  | 27.2  | 10.7                        | 9.6                          | 15.2                      |
| All  | 153,231                | 100.0               | 70,800                         | 13,568  | 57,232   | 19.2  | 100.0                       | 100.0                        | 100.0                     |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Number of AMT Taxpayers (millions). Baseline: 29.8

Proposal: 30.3

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Single Tax Units**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   | Dollars                    | Percent | Change (%)<br>Points)  | Under the<br>Proposal | Change (%)<br>Points)                 | Under the<br>Proposal |
| Less than 10   | 0.1                               | 4.6                  | -0.1   | 1.0                                     | 3                          | 1.5     | 0.0                    | 0.4                   | 0.1                                   | 4.2                   |
| 10-20  | 0.1                               | 9.3                  | -0.1   | 5.6                                     | 15                         | 1.4     | 0.0                    | 2.7                   | 0.1                                   | 7.1                   |
| 20-30  | 0.0                               | 18.8                 | -0.2   | 11.5                                    | 35                         | 1.2     | 0.0                    | 6.3                   | 0.1                                   | 12.0                  |
| 30-40  | 0.1                               | 29.8                 | -0.2   | 12.6                                    | 59                         | 1.0     | 0.0                    | 8.1                   | 0.2                                   | 16.4                  |
| 40-50  | 0.0                               | 38.1                 | -0.2   | 13.5                                    | 80                         | 1.0     | 0.0                    | 9.3                   | 0.2                                   | 18.7                  |
| 50-75  | 0.0                               | 42.4                 | -0.2   | 31.1                                    | 114                        | 0.9     | 0.1                    | 22.5                  | 0.2                                   | 20.6                  |
| 75-100   | 0.0                               | 44.6                 | -0.2   | 14.3                                    | 127                        | 0.6     | 0.0                    | 14.4                  | 0.2                                   | 22.8                  |
| 100-200  | 0.1                               | 37.8                 | -0.1   | 8.5                                     | 103                        | 0.3     | -0.1                   | 16.4                  | 0.1                                   | 22.9                  |
| 200-500  | 0.1                               | 29.1                 | 0.0  | 1.6                                     | 84                         | 0.1     | 0.0                    | 8.3                   | 0.0                                   | 22.9                  |
| 500-1,000  | 0.0                               | 25.3                 | 0.0  | 0.2                                     | 58                         | 0.0     | 0.0                    | 3.5                   | 0.0                                   | 22.3                  |
| More than 1,000  | 0.0                               | 24.0                 | 0.0  | 0.1                                     | 63                         | 0.0     | -0.1                   | 7.8                   | 0.0                                   | 27.3                  |
| All  | 0.1                               | 23.5                 | -0.2   | 100.0                                   | 53                         | 0.7     | 0.0                    | 100.0                 | 0.1                                   | 19.1                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-<br>Tax Income<br>Percent of<br>Total | Share of Post-<br>Tax Income<br>Percent of<br>Total | Share of<br>Federal Taxes<br>Percent of<br>Total |
|--|------------------------|---------------------|--------------------------------|---|--|---|--|---|--|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   |  |   |  |
| Less than 10   | 10,380                 | 15.6                | 5,484                          | 229   | 5,255  | 4.2   | 2.0  | 2.4   | 0.4  |
| 10-20  | 13,463                 | 20.2                | 15,268                         | 1,070   | 14,197   | 7.0   | 7.2  | 8.3   | 2.7  |
| 20-30  | 11,458                 | 17.2                | 25,062                         | 2,962   | 22,100   | 11.8  | 10.1   | 11.0  | 6.3  |
| 30-40  | 7,593                  | 11.4                | 35,413                         | 5,749   | 29,664   | 16.2  | 9.4  | 9.7   | 8.1  |
| 40-50  | 5,962                  | 9.0                 | 45,636                         | 8,432   | 37,204   | 18.5  | 9.5  | 9.6   | 9.3  |
| 50-75  | 9,611                  | 14.4                | 61,950                         | 12,639  | 49,312   | 20.4  | 20.9   | 20.5  | 22.5   |
| 75-100   | 3,949                  | 5.9                 | 87,434                         | 19,780  | 67,654   | 22.6  | 12.1   | 11.6  | 14.4   |
| 100-200  | 2,905                  | 4.4                 | 134,386                        | 30,690  | 103,695  | 22.8  | 13.7   | 13.0  | 16.5   |
| 200-500  | 674                    | 1.0                 | 294,856                        | 67,345  | 227,511  | 22.8  | 7.0  | 6.6   | 8.4  |
| 500-1,000  | 124                    | 0.2                 | 694,488                        | 154,859                                       | 539,630  | 22.3  | 3.0  | 2.9   | 3.5  |
| More than 1,000  | 56                     | 0.1                 | 2,777,650                      | 756,860                                       | 2,020,789  | 27.3  | 5.5  | 4.9   | 7.9  |
| All  | 66,570                 | 100.0               | 42,880                         | 8,128   | 34,752   | 19.0  | 100.0  | 100.0   | 100.0  |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   | Dollars                    | Percent | Change (%)<br>Points)  | Under the<br>Proposal | Change (%)<br>Points)                 | Under the<br>Proposal |
| Less than 10   | 4.1                               | 6.6                  | 0.2  | -0.1                                    | -10                        | 22.6    | 0.0                    | 0.0                   | -0.2                                  | -1.0                  |
| 10-20  | 1.8                               | 12.6                 | -0.1   | 0.4                                     | 16                         | -5.0    | 0.0                    | -0.1                  | 0.1                                   | -1.9                  |
| 20-30  | 0.4                               | 16.7                 | -0.2   | 1.6                                     | 47                         | 13.5    | 0.0                    | 0.1                   | 0.2                                   | 1.6                   |
| 30-40  | 0.2                               | 24.0                 | -0.3   | 2.5                                     | 83                         | 4.4     | 0.0                    | 0.5                   | 0.2                                   | 5.5                   |
| 40-50  | 0.1                               | 31.1                 | -0.3   | 4.1                                     | 130                        | 3.3     | 0.0                    | 1.1                   | 0.3                                   | 9.0                   |
| 50-75  | 0.1                               | 40.3                 | -0.3   | 14.3                                    | 166                        | 2.0     | 0.1                    | 6.6                   | 0.3                                   | 13.5                  |
| 75-100   | 0.2                               | 47.9                 | -0.3   | 22.4                                    | 238                        | 1.6     | 0.1                    | 12.7                  | 0.3                                   | 17.0                  |
| 100-200  | 0.1                               | 52.7                 | -0.3   | 41.6                                    | 337                        | 1.2     | 0.1                    | 32.1                  | 0.3                                   | 21.3                  |
| 200-500  | 0.0                               | 48.7                 | -0.2   | 10.8                                    | 344                        | 0.5     | -0.1                   | 19.9                  | 0.1                                   | 24.5                  |
| 500-1,000  | 0.0                               | 43.6                 | -0.1   | 1.6                                     | 279                        | 0.2     | -0.1                   | 8.6                   | 0.0                                   | 24.3                  |
| More than 1,000  | 0.0                               | 41.2                 | 0.0  | 0.7                                     | 275                        | 0.0     | -0.2                   | 18.4                  | 0.0                                   | 27.2                  |
| All  | 0.4                               | 39.5                 | -0.2   | 100.0                                   | 207                        | 0.9     | 0.0                    | 100.0                 | 0.2                                   | 20.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-<br>Tax Income | Share of Post-<br>Tax Income | Share of<br>Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Percent of<br>Total         | Percent of<br>Total          | Percent of<br>Total       |
| Less than 10   | 1,828                  | 3.0                 | 5,005                          | -42   | 5,047  | -0.9  | 0.1                         | 0.2                          | 0.0                       |
| 10-20  | 3,440                  | 5.7                 | 15,831                         | -315  | 16,146   | -2.0  | 0.8                         | 1.0                          | -0.1                      |
| 20-30  | 4,298                  | 7.1                 | 25,378                         | 349   | 25,029   | 1.4   | 1.6                         | 2.0                          | 0.1                       |
| 30-40  | 3,781                  | 6.3                 | 35,522                         | 1,881   | 33,641   | 5.3   | 2.0                         | 2.3                          | 0.5                       |
| 40-50  | 3,866                  | 6.4                 | 45,551                         | 3,980   | 41,571   | 8.7   | 2.6                         | 2.9                          | 1.1                       |
| 50-75  | 10,737                 | 17.8                | 63,971                         | 8,440   | 55,530   | 13.2  | 10.0                        | 10.9                         | 6.6                       |
| 75-100   | 11,701                 | 19.4                | 88,602                         | 14,793  | 73,809   | 16.7  | 15.2                        | 15.8                         | 12.6                      |
| 100-200  | 15,350                 | 25.5                | 136,641                        | 28,710  | 107,932  | 21.0  | 30.7                        | 30.3                         | 32.0                      |
| 200-500  | 3,895                  | 6.5                 | 289,665                        | 70,661  | 219,004  | 24.4  | 16.5                        | 15.6                         | 20.0                      |
| 500-1,000  | 707                    | 1.2                 | 690,857                        | 167,893                                       | 522,964  | 24.3  | 7.1                         | 6.8                          | 8.6                       |
| More than 1,000  | 334                    | 0.6                 | 2,811,591                      | 764,032                                       | 2,047,559  | 27.2  | 13.7                        | 12.5                         | 18.5                      |
| All  | 60,204                 | 100.0               | 113,658                        | 22,894  | 90,763   | 20.1  | 100.0                       | 100.0                        | 100.0                     |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                      | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|----------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax<br>Increase |  |   | Dollars                    | Percent | Change (%)<br>Points)  | Under the<br>Proposal | Change (%)<br>Points)                 | Under the<br>Proposal |
| Less than 10   | 3.2                               | 1.3                  | 0.1  | -0.6                                    | -5                         | 0.5     | 0.0                    | -2.2                  | -0.1                                  | -18.0                 |
| 10-20  | 3.9                               | 8.6                  | 0.0  | 1.2                                     | 5                          | -0.3    | 0.1                    | -7.3                  | 0.0                                   | -12.1                 |
| 20-30  | 0.7                               | 23.1                 | -0.3   | 17.9                                    | 71                         | -40.6   | 0.3                    | -0.4                  | 0.3                                   | -0.4                  |
| 30-40  | 0.1                               | 30.8                 | -0.3   | 19.3                                    | 104                        | 3.7     | 0.2                    | 8.9                   | 0.3                                   | 8.4                   |
| 40-50  | 0.3                               | 35.5                 | -0.3   | 14.0                                    | 106                        | 1.8     | 0.0                    | 12.7                  | 0.2                                   | 13.0                  |
| 50-75  | 0.2                               | 42.3                 | -0.3   | 27.4                                    | 138                        | 1.3     | -0.1                   | 34.0                  | 0.2                                   | 17.2                  |
| 75-100   | 0.0                               | 38.5                 | -0.3   | 13.3                                    | 176                        | 1.0     | -0.1                   | 21.6                  | 0.2                                   | 20.4                  |
| 100-200  | 0.0                               | 42.9                 | -0.2   | 6.7                                     | 178                        | 0.6     | -0.2                   | 18.3                  | 0.1                                   | 23.5                  |
| 200-500  | 0.0                               | 23.8                 | -0.1   | 0.7                                     | 112                        | 0.2     | -0.1                   | 6.3                   | 0.0                                   | 23.3                  |
| 500-1,000  | 1.6                               | 25.7                 | 0.0  | 0.1                                     | 107                        | 0.1     | 0.0                    | 2.7                   | 0.0                                   | 23.8                  |
| More than 1,000  | 0.0                               | 19.7                 | 0.0  | 0.0                                     | 101                        | 0.0     | -0.1                   | 5.4                   | 0.0                                   | 27.8                  |
| All  | 1.3                               | 25.3                 | -0.2   | 100.0                                   | 80                         | 1.6     | 0.0                    | 100.0                 | 0.2                                   | 12.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-<br>Tax Income | Share of Post-<br>Tax Income | Share of<br>Federal Taxes |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------|------------------------------|---------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Percent of<br>Total         | Percent of<br>Total          | Percent of<br>Total       |
| Less than 10   | 2,194                  | 9.2                 | 6,512                          | -1,166  | 7,677  | -17.9                                       | 1.5                         | 2.0                          | -2.2                      |
| 10-20  | 4,654                  | 19.5                | 15,330                         | -1,863  | 17,193   | -12.2                                       | 7.4                         | 9.4                          | -7.4                      |
| 20-30  | 4,789                  | 20.0                | 25,377                         | -176  | 25,553   | -0.7  | 12.6                        | 14.4                         | -0.7                      |
| 30-40  | 3,557                  | 14.9                | 35,105                         | 2,847   | 32,259   | 8.1   | 12.9                        | 13.5                         | 8.7                       |
| 40-50  | 2,542                  | 10.6                | 45,489                         | 5,825   | 39,664   | 12.8  | 12.0                        | 11.9                         | 12.7                      |
| 50-75  | 3,807                  | 15.9                | 61,588                         | 10,440  | 51,148   | 17.0  | 24.2                        | 22.9                         | 34.1                      |
| 75-100   | 1,446                  | 6.1                 | 86,607                         | 17,511  | 69,096   | 20.2  | 12.9                        | 11.7                         | 21.7                      |
| 100-200  | 722                    | 3.0                 | 128,235                        | 29,913  | 98,322   | 23.3  | 9.6                         | 8.4                          | 18.5                      |
| 200-500  | 114                    | 0.5                 | 282,384                        | 65,644  | 216,739  | 23.3  | 3.3                         | 2.9                          | 6.4                       |
| 500-1,000  | 20                     | 0.1                 | 665,151                        | 158,121                                       | 507,031  | 23.8  | 1.4                         | 1.2                          | 2.8                       |
| More than 1,000  | 8                      | 0.0                 | 2,724,067                      | 757,437                                       | 1,966,630  | 27.8  | 2.4                         | 2.0                          | 5.5                       |
| All  | 23,905                 | 100.0               | 40,468                         | 4,881   | 35,587   | 12.1  | 100.0                       | 100.0                        | 100.0                     |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |  |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 5.5                               | 1.6               | 0.2  | -0.4                                    | -15                        | 1.1     | 0.0                    | -0.5                  | -0.2                                  | -22.4                 |
| 10-20  | 4.8                               | 9.4               | 0.0  | 0.2                                     | 4                          | -0.2    | 0.0                    | -1.7                  | 0.0                                   | -17.1                 |
| 20-30  | 0.8                               | 21.6              | -0.3   | 4.5                                     | 76                         | -6.7    | 0.1                    | -0.7                  | 0.3                                   | -4.2                  |
| 30-40  | 0.2                               | 29.6              | -0.4   | 5.8                                     | 118                        | 6.4     | 0.1                    | 1.1                   | 0.3                                   | 5.5                   |
| 40-50  | 0.3                               | 36.1              | -0.4   | 6.2                                     | 145                        | 3.0     | 0.0                    | 2.5                   | 0.3                                   | 10.8                  |
| 50-75  | 0.1                               | 44.5              | -0.3   | 16.2                                    | 183                        | 2.0     | 0.1                    | 9.9                   | 0.3                                   | 15.0                  |
| 75-100   | 0.2                               | 52.4              | -0.4   | 20.7                                    | 277                        | 1.8     | 0.1                    | 14.0                  | 0.3                                   | 18.0                  |
| 100-200  | 0.0                               | 58.2              | -0.4   | 35.9                                    | 394                        | 1.3     | 0.0                    | 32.3                  | 0.3                                   | 22.1                  |
| 200-500  | 0.0                               | 53.9              | -0.2   | 9.1                                     | 411                        | 0.6     | -0.1                   | 19.1                  | 0.1                                   | 25.6                  |
| 500-1,000  | 0.1                               | 50.2              | -0.1   | 1.3                                     | 340                        | 0.2     | -0.1                   | 7.8                   | 0.1                                   | 25.5                  |
| More than 1,000  | 0.0                               | 47.8              | 0.0  | 0.6                                     | 338                        | 0.0     | -0.2                   | 16.1                  | 0.0                                   | 28.8                  |
| All  | 1.0                               | 37.7              | -0.3   | 100.0                                   | 193                        | 1.2     | 0.0                    | 100.0                 | 0.2                                   | 19.1                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-                     | Share of Post-                    | Share of                             |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------------|-----------------------------------|--------------------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Tax Income<br>Percent of<br>Total | Tax Income<br>Percent of<br>Total | Federal Taxes<br>Percent of<br>Total |
| Less than 10   | 2,636                  | 5.4                 | 6,222                          | -1,381  | 7,603  | -22.2                                       | 0.4                               | 0.6                               | -0.5                                 |
| 10-20  | 5,188                  | 10.6                | 15,502                         | -2,652  | 18,154   | -17.1                                       | 1.9                               | 2.8                               | -1.7                                 |
| 20-30  | 5,640                  | 11.5                | 25,453                         | -1,134  | 26,587   | -4.5  | 3.4                               | 4.4                               | -0.8                                 |
| 30-40  | 4,655                  | 9.5                 | 35,329                         | 1,837   | 33,492   | 5.2   | 3.9                               | 4.6                               | 1.1                                  |
| 40-50  | 4,040                  | 8.2                 | 45,565                         | 4,772   | 40,793   | 10.5  | 4.4                               | 4.8                               | 2.4                                  |
| 50-75  | 8,401                  | 17.1                | 63,085                         | 9,283   | 53,802   | 14.7  | 12.6                              | 13.3                              | 9.8                                  |
| 75-100   | 7,072                  | 14.4                | 88,185                         | 15,556  | 72,628   | 17.6  | 14.9                              | 15.1                              | 13.9                                 |
| 100-200  | 8,636                  | 17.6                | 136,045                        | 29,610  | 106,436  | 21.8  | 28.0                              | 27.0                              | 32.3                                 |
| 200-500  | 2,094                  | 4.3                 | 286,217                        | 72,825  | 213,392  | 25.4  | 14.3                              | 13.1                              | 19.2                                 |
| 500-1,000  | 358                    | 0.7                 | 685,931                        | 174,790                                       | 511,141  | 25.5  | 5.8                               | 5.4                               | 7.9                                  |
| More than 1,000  | 156                    | 0.3                 | 2,881,627                      | 828,884                                       | 2,052,744  | 28.8  | 10.7                              | 9.4                               | 16.3                                 |
| All  | 49,010                 | 100.0               | 85,705                         | 16,176  | 69,529   | 18.9  | 100.0                             | 100.0                             | 100.0                                |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T09-0233**  
**Impose an Unindexed Cap on the Employer Sponsored Insurance Exclusion**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                   | Percent<br>Change in<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Change | Average Federal Tax Change |         | Share of Federal Taxes |                       | Average Federal Tax Rate <sup>5</sup> |                       |
|--|-----------------------------------|-------------------|--|---|----------------------------|---------|------------------------|-----------------------|---------------------------------------|-----------------------|
|  | With Tax Cut                      | With Tax Increase |  |   | Dollars                    | Percent | Change (%<br>Points)   | Under the<br>Proposal | Change (%<br>Points)                  | Under the<br>Proposal |
| Less than 10   | 0.2                               | 2.0               | 0.0  | 0.0                                     | 0                          | -0.1    | 0.0                    | 0.1                   | 0.0                                   | 2.6                   |
| 10-20  | 0.0                               | 2.2               | 0.0  | 1.4                                     | 3                          | 1.0     | 0.0                    | 0.5                   | 0.0                                   | 2.1                   |
| 20-30  | 0.1                               | 2.5               | 0.0  | 1.7                                     | 5                          | 0.6     | 0.0                    | 1.1                   | 0.0                                   | 3.2                   |
| 30-40  | 0.0                               | 4.5               | 0.0  | 1.7                                     | 9                          | 0.7     | 0.0                    | 0.9                   | 0.0                                   | 3.9                   |
| 40-50  | 0.0                               | 7.0               | -0.1   | 2.8                                     | 20                         | 0.9     | 0.0                    | 1.2                   | 0.0                                   | 5.2                   |
| 50-75  | 0.1                               | 13.9              | -0.1   | 19.4                                    | 53                         | 0.9     | 0.0                    | 8.1                   | 0.1                                   | 9.6                   |
| 75-100   | 0.0                               | 18.4              | -0.1   | 24.4                                    | 94                         | 0.9     | 0.1                    | 10.5                  | 0.1                                   | 12.5                  |
| 100-200  | 0.0                               | 21.2              | -0.1   | 35.1                                    | 122                        | 0.5     | 0.0                    | 25.1                  | 0.1                                   | 17.1                  |
| 200-500  | 0.0                               | 19.0              | -0.1   | 10.7                                    | 121                        | 0.2     | 0.0                    | 20.4                  | 0.0                                   | 21.0                  |
| 500-1,000  | 0.0                               | 18.3              | 0.0  | 1.9                                     | 109                        | 0.1     | 0.0                    | 9.8                   | 0.0                                   | 22.2                  |
| More than 1,000  | 0.0                               | 16.9              | 0.0  | 1.0                                     | 113                        | 0.0     | -0.1                   | 22.2                  | 0.0                                   | 25.7                  |
| All  | 0.1                               | 9.6               | -0.1   | 100.0                                   | 44                         | 0.4     | 0.0                    | 100.0                 | 0.1                                   | 15.3                  |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2010 <sup>1</sup>**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Tax Units <sup>3</sup> |                     | Average<br>Income<br>(Dollars) | Average<br>Federal Tax<br>Burden<br>(Dollars) | Average After-<br>Tax Income <sup>4</sup><br>(Dollars) | Average<br>Federal Tax<br>Rate <sup>5</sup> | Share of Pre-                     | Share of Post-                    | Share of                             |
|--|------------------------|---------------------|--------------------------------|---|--|---|-----------------------------------|-----------------------------------|--------------------------------------|
|  | Number<br>(thousands)  | Percent of<br>Total |                                |   |  |   | Tax Income<br>Percent of<br>Total | Tax Income<br>Percent of<br>Total | Federal Taxes<br>Percent of<br>Total |
| Less than 10   | 1,857                  | 6.4                 | 5,865                          | 151   | 5,714  | 2.6   | 0.5                               | 0.6                               | 0.1                                  |
| 10-20  | 5,406                  | 18.7                | 15,581                         | 329   | 15,252   | 2.1   | 3.8                               | 4.4                               | 0.5                                  |
| 20-30  | 4,690                  | 16.2                | 24,858                         | 785   | 24,073   | 3.2   | 5.3                               | 6.0                               | 1.1                                  |
| 30-40  | 2,306                  | 8.0                 | 35,057                         | 1,359   | 33,697   | 3.9   | 3.6                               | 4.1                               | 0.9                                  |
| 40-50  | 1,727                  | 6.0                 | 45,429                         | 2,332   | 43,097   | 5.1   | 3.5                               | 4.0                               | 1.2                                  |
| 50-75  | 4,556                  | 15.8                | 63,354                         | 5,995   | 57,359   | 9.5   | 13.0                              | 13.9                              | 8.1                                  |
| 75-100   | 3,267                  | 11.3                | 87,931                         | 10,886  | 77,045   | 12.4  | 13.0                              | 13.4                              | 10.5                                 |
| 100-200  | 3,631                  | 12.6                | 137,679                        | 23,406  | 114,273  | 17.0  | 22.5                              | 22.1                              | 25.1                                 |
| 200-500  | 1,119                  | 3.9                 | 294,573                        | 61,784  | 232,788  | 21.0  | 14.9                              | 13.9                              | 20.4                                 |
| 500-1,000  | 217                    | 0.8                 | 690,295                        | 153,415                                       | 536,880  | 22.2  | 6.8                               | 6.2                               | 9.8                                  |
| More than 1,000  | 107                    | 0.4                 | 2,745,456                      | 704,617                                       | 2,040,840  | 25.7  | 13.3                              | 11.6                              | 22.3                                 |
| All  | 28,907                 | 100.0               | 76,779                         | 11,729  | 65,050   | 15.3  | 100.0                             | 100.0                             | 100.0                                |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current law. Proposal imposes an unindexed cap on the employer sponsored insurance exclusion. The caps are based on average premiums; \$5,370 for single coverage, \$10,277 for single-plus-one coverage, and \$13,226 for family coverage.

(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) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(5) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.