

**Table T09-0253**  
**Impose a Cap on the Employer Sponsored Insurance Exclusion**  
**Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		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>	
	With Tax Cut	With Tax Increase				Change (% Points)	Under the Proposal
Less than 10	0.2	0.6	0.0	0.0	0	0.0	-0.2
10-20	0.1	1.6	0.0	1.1	1	0.0	1.5
20-30	0.0	3.3	0.0	4.0	5	0.0	6.8
30-40	0.0	5.3	0.0	4.2	7	0.0	11.7
40-50	0.0	6.7	0.0	5.0	10	0.0	14.4
50-75	0.0	8.3	0.0	16.0	16	0.0	16.8
75-100	0.0	9.7	0.0	20.1	29	0.0	18.5
100-200	0.0	11.6	0.0	37.1	48	0.0	21.4
200-500	0.0	11.3	0.0	10.3	54	0.0	24.2
500-1,000	0.0	9.6	0.0	1.4	40	0.0	24.0
More than 1,000	0.0	8.8	0.0	0.7	42	0.0	27.2
All	0.1	6.1	0.0	100.0	16	0.0	19.2

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

Number of AMT Taxpayers (millions). Baseline: 29.8

Proposal: 29.9

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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.

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**Distribution of Federal Tax Change by Cash Income Level, 2010<sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.2	0.6	0.0	0.0	0	0.2	0.0	0.0	0.0	-0.2
10-20	0.1	1.6	0.0	1.1	1	0.5	0.0	0.3	0.0	1.5
20-30	0.0	3.3	0.0	4.0	5	0.3	0.0	1.7	0.0	6.8
30-40	0.0	5.3	0.0	4.2	7	0.2	0.0	3.1	0.0	11.7
40-50	0.0	6.7	0.0	5.0	10	0.2	0.0	4.0	0.0	14.4
50-75	0.0	8.3	0.0	16.0	16	0.2	0.0	12.5	0.0	16.8
75-100	0.0	9.7	0.0	20.1	29	0.2	0.0	13.6	0.0	18.5
100-200	0.0	11.6	0.0	37.1	48	0.2	0.0	26.8	0.0	21.4
200-500	0.0	11.3	0.0	10.3	54	0.1	0.0	15.9	0.0	24.2
500-1,000	0.0	9.6	0.0	1.4	40	0.0	0.0	6.9	0.0	24.0
More than 1,000	0.0	8.8	0.0	0.7	42	0.0	0.0	15.2	0.0	27.2
All	0.1	6.1	0.0	100.0	16	0.1	0.0	100.0	0.0	19.2

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of 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 (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 29.8

Proposal: 29.9

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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

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(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 T09-0253**  
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**Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.6	0.0	0.7	0	0.1	0.0	0.4	0.0	4.2
10-20	0.0	1.6	0.0	4.7	1	0.1	0.0	2.7	0.0	7.0
20-30	0.0	3.6	0.0	11.8	3	0.1	0.0	6.3	0.0	11.8
30-40	0.0	6.5	0.0	11.6	5	0.1	0.0	8.1	0.0	16.3
40-50	0.0	8.1	0.0	10.9	6	0.1	0.0	9.3	0.0	18.5
50-75	0.0	10.0	0.0	31.7	10	0.1	0.0	22.5	0.0	20.4
75-100	0.0	11.1	0.0	16.0	13	0.1	0.0	14.4	0.0	22.6
100-200	0.0	8.1	0.0	9.9	11	0.0	0.0	16.5	0.0	22.9
200-500	0.0	8.5	0.0	2.2	11	0.0	0.0	8.4	0.0	22.8
500-1,000	0.0	4.3	0.0	0.1	3	0.0	0.0	3.5	0.0	22.3
More than 1,000	0.0	5.4	0.0	0.1	6	0.0	0.0	7.9	0.0	27.3
All	0.0	5.1	0.0	100.0	5	0.1	0.0	100.0	0.0	19.0

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Pre-Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of 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 a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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.

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**Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels**  
**Distribution of Federal Tax Change by Cash Income Level, 2010<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.8	1.0	0.0	-0.1	-1	3.4	0.0	0.0	0.0	-0.9
10-20	0.2	2.2	0.0	0.4	2	-0.7	0.0	-0.1	0.0	-2.0
20-30	0.0	2.5	0.0	1.5	7	2.0	0.0	0.1	0.0	1.4
30-40	0.0	4.0	0.0	1.7	9	0.5	0.0	0.5	0.0	5.3
40-50	0.0	5.6	0.0	3.2	16	0.4	0.0	1.1	0.0	8.8
50-75	0.0	7.4	0.0	12.1	22	0.3	0.0	6.6	0.0	13.2
75-100	0.0	9.8	-0.1	21.8	36	0.2	0.0	12.6	0.0	16.7
100-200	0.0	12.4	-0.1	44.5	56	0.2	0.0	32.0	0.0	21.1
200-500	0.0	11.9	0.0	12.4	61	0.1	0.0	20.0	0.0	24.4
500-1,000	0.0	10.7	0.0	1.7	47	0.0	0.0	8.6	0.0	24.3
More than 1,000	0.0	9.6	0.0	0.9	49	0.0	0.0	18.5	0.0	27.2
All	0.1	8.3	0.0	100.0	32	0.1	0.0	100.0	0.0	20.2

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of 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 a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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.

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**Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels**  
**Distribution of Federal Tax Change by Cash Income Level, 2010 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.3	0.2	0.0	0.0	0	0.0	0.0	-2.2	0.0	-17.9
10-20	0.5	1.1	0.0	1.8	1	0.0	0.0	-7.4	0.0	-12.2
20-30	0.1	3.2	0.0	17.7	6	-3.3	0.0	-0.7	0.0	-0.7
30-40	0.0	4.1	0.0	18.5	8	0.3	0.0	8.7	0.0	8.1
40-50	0.0	5.1	0.0	13.3	8	0.1	0.0	12.7	0.0	12.8
50-75	0.1	6.3	0.0	24.5	10	0.1	0.0	34.1	0.0	17.0
75-100	0.0	6.3	0.0	12.6	14	0.1	0.0	21.7	0.0	20.2
100-200	0.0	7.4	0.0	10.4	23	0.1	0.0	18.5	0.0	23.3
200-500	0.0	3.0	0.0	1.2	16	0.0	0.0	6.4	0.0	23.3
500-1,000	0.0	3.0	0.0	0.1	11	0.0	0.0	2.8	0.0	23.8
More than 1,000	0.0	3.2	0.0	0.1	9	0.0	0.0	5.5	0.0	27.8
All	0.2	3.7	0.0	100.0	7	0.1	0.0	100.0	0.0	12.1

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of 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).

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(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.

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**Distribution of Federal Tax Change by Cash Income Level, 2010<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.8	0.2	0.0	-0.2	-1	0.1	0.0	-0.5	0.0	-22.2
10-20	0.6	1.2	0.0	0.2	1	0.0	0.0	-1.7	0.0	-17.1
20-30	0.1	3.2	0.0	3.3	7	-0.7	0.0	-0.8	0.0	-4.4
30-40	0.0	4.1	0.0	3.7	10	0.6	0.0	1.1	0.0	5.2
40-50	0.0	5.0	0.0	4.4	14	0.3	0.0	2.4	0.0	10.5
50-75	0.0	6.6	0.0	13.0	20	0.2	0.0	9.8	0.0	14.8
75-100	0.0	9.4	-0.1	20.0	36	0.2	0.0	13.9	0.0	17.7
100-200	0.0	11.8	-0.1	41.6	62	0.2	0.0	32.3	0.1	21.8
200-500	0.0	12.1	0.0	11.8	72	0.1	0.0	19.2	0.0	25.5
500-1,000	0.0	11.6	0.0	1.5	54	0.0	0.0	7.9	0.0	25.5
More than 1,000	0.0	10.9	0.0	0.7	56	0.0	0.0	16.3	0.0	28.8
All	0.1	6.5	0.0	100.0	26	0.2	0.0	100.0	0.0	18.9

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of 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 a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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 T09-0253**  
**Impose a Cap on the Employer Sponsored Insurance Exclusion**  
**Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels**  
**Distribution of Federal Tax Change by Cash Income Level, 2010<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Percent of Tax Units <sup>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>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.1	0.3	0.0	0.0	0	0.0	0.0	0.1	0.0	2.6
10-20	0.0	0.4	0.0	1.2	0	0.1	0.0	0.5	0.0	2.1
20-30	0.0	0.5	0.0	1.4	1	0.1	0.0	1.1	0.0	3.2
30-40	0.0	1.2	0.0	1.4	1	0.1	0.0	0.9	0.0	3.9
40-50	0.0	1.5	0.0	1.3	2	0.1	0.0	1.2	0.0	5.1
50-75	0.0	3.3	0.0	13.7	7	0.1	0.0	8.1	0.0	9.5
75-100	0.0	5.2	0.0	28.5	19	0.2	0.0	10.5	0.0	12.4
100-200	0.0	5.8	0.0	39.0	23	0.1	0.0	25.1	0.0	17.0
200-500	0.0	5.5	0.0	10.4	20	0.0	0.0	20.4	0.0	21.0
500-1,000	0.0	4.1	0.0	1.8	18	0.0	0.0	9.8	0.0	22.2
More than 1,000	0.0	4.3	0.0	1.4	28	0.0	0.0	22.3	0.0	25.7
All	0.0	2.4	0.0	100.0	8	0.1	0.0	100.0	0.0	15.3

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

Cash Income Level (thousands of 2009 dollars) <sup>2</sup>	Tax Units <sup>3</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of 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 a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 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.