

Table T09-0258

Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009 ¹
Summary Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Less than 10	68.1	29.6	50.3	-2,974.1	-2,829	-51.2	-53.0
10-20	56.9	40.5	14.7	-3,464.3	-2,212	-14.7	-14.4
20-30	54.1	45.0	7.3	-2,432.5	-1,697	-6.9	-1.1
30-40	51.1	48.7	4.4	-1,396.9	-1,352	-3.9	7.0
40-50	51.1	48.8	2.8	-913.6	-1,081	-2.4	11.2
50-75	46.6	53.3	1.1	-930.6	-574	-0.9	14.8
75-100	42.1	57.9	-0.1	97.3	87	0.1	17.5
100-200	28.1	71.9	-2.6	3,679.0	2,807	2.1	21.9
200-500	8.5	91.5	-5.2	3,745.7	11,609	4.0	26.6
500-1,000	6.6	93.4	-5.8	1,786.8	30,153	4.4	28.4
More than 1,000	3.4	96.6	-5.8	3,110.9	114,783	4.3	31.4
All	48.0	51.2	0.0	100.0	10	0.0	18.0

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

Number of AMT Taxpayers (millions). Baseline: 3.8

Proposal: 4.1

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored insurance deduction and self-employment health insurance deduction with a voucher to purchase private insurance. Individual voucher value depends on age and gender; the total voucher for each tax unit is the sum of each individual's voucher. Only individuals not on public insurance receive a voucher. The proposal imposes a revenue neutral comprehensive VAT at tax exclusive rate of 6.7% to finance the voucher. The VAT is distributed to labor earnings plus all capital.

(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 T09-0258
Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	68.1	29.6	50.3	-2,974.1	-2,829	2,859.6	-2.3	-2.4	-51.2	-53.0
10-20	56.9	40.5	14.7	-3,464.3	-2,212	-5,714.7	-2.7	-2.6	-14.7	-14.4
20-30	54.1	45.0	7.3	-2,432.5	-1,697	-118.5	-1.9	-0.3	-6.9	-1.1
30-40	51.1	48.7	4.4	-1,396.9	-1,352	-35.8	-1.1	1.9	-3.9	7.0
40-50	51.1	48.8	2.8	-913.6	-1,081	-17.8	-0.7	3.3	-2.4	11.2
50-75	46.6	53.3	1.1	-930.6	-574	-5.9	-0.7	11.4	-0.9	14.8
75-100	42.1	57.9	-0.1	97.3	87	0.6	0.1	13.1	0.1	17.5
100-200	28.1	71.9	-2.6	3,679.0	2,807	10.6	2.8	29.8	2.1	21.9
200-500	8.5	91.5	-5.2	3,745.7	11,609	17.8	2.9	19.2	4.0	26.6
500-1,000	6.6	93.4	-5.8	1,786.8	30,153	18.5	1.4	8.9	4.4	28.4
More than 1,000	3.4	96.6	-5.8	3,110.9	114,783	15.7	2.4	17.8	4.3	31.4
All	48.0	51.2	0.0	100.0	10	0.1	0.0	100.0	0.0	18.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	15,207	10.1	5,525	-99	5,624	-1.8	0.8	1.0	-0.1
10-20	22,657	15.0	15,088	39	15,049	0.3	3.3	4.0	0.1
20-30	20,737	13.7	24,780	1,432	23,348	5.8	5.0	5.7	1.6
30-40	14,945	9.9	34,833	3,774	31,059	10.8	5.0	5.5	3.0
40-50	12,224	8.1	44,804	6,077	38,727	13.6	5.3	5.6	4.0
50-75	23,449	15.5	61,698	9,689	52,009	15.7	14.0	14.4	12.2
75-100	16,133	10.7	86,623	15,031	71,592	17.4	13.5	13.6	13.0
100-200	18,960	12.6	134,298	26,539	107,759	19.8	24.6	24.1	27.0
200-500	4,667	3.1	289,582	65,287	224,295	22.6	13.0	12.3	16.3
500-1,000	857	0.6	680,610	163,195	517,415	24.0	5.6	5.2	7.5
More than 1,000	392	0.3	2,700,196	733,247	1,966,949	27.2	10.2	9.1	15.4
All	150,979	100.0	68,631	12,367	56,264	18.0	100.0	100.0	100.0

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

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(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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(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 T09-0258
Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Single Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	68.1	28.7	40.2	-1,690.7	-2,107	-1,285.6	-4.5	-4.1	-39.0	-35.9
10-20	48.4	47.6	8.1	-1,180.2	-1,143	-127.7	-3.1	-0.7	-7.6	-1.7
20-30	45.0	53.4	3.2	-588.9	-710	-25.8	-1.6	4.5	-2.9	8.3
30-40	40.1	59.6	1.0	-153.7	-283	-5.2	-0.4	7.4	-0.8	14.8
40-50	37.9	62.0	-0.8	121.3	281	3.5	0.3	9.4	0.6	18.5
50-75	28.3	71.7	-2.7	896.1	1,320	11.1	2.3	23.7	2.2	21.7
75-100	14.5	85.5	-3.6	695.7	2,407	12.8	1.8	16.2	2.8	24.6
100-200	7.3	92.7	-4.4	997.7	4,502	15.3	2.6	19.9	3.4	25.9
200-500	7.4	92.6	-4.6	503.6	10,438	15.5	1.3	9.9	3.6	26.6
500-1,000	13.4	86.6	-4.4	197.0	22,539	13.3	0.5	4.4	3.3	28.1
More than 1,000	4.1	95.9	-5.3	386.1	98,759	12.1	1.0	9.4	3.7	34.3
All	42.3	56.1	-0.1	100.0	20	0.3	0.0	100.0	0.1	18.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	10,640	16.3	5,407	164	5,243	3.0	2.1	2.5	0.4
10-20	13,688	21.0	14,979	895	14,084	6.0	7.6	8.8	2.5
20-30	10,999	16.9	24,656	2,757	21,899	11.2	10.0	11.0	6.1
30-40	7,212	11.1	34,817	5,447	29,370	15.7	9.3	9.6	7.9
40-50	5,727	8.8	44,776	7,989	36,787	17.8	9.5	9.6	9.1
50-75	9,001	13.8	60,853	11,910	48,943	19.6	20.3	20.0	21.4
75-100	3,832	5.9	86,147	18,816	67,331	21.8	12.2	11.7	14.4
100-200	2,938	4.5	131,358	29,448	101,910	22.4	14.3	13.6	17.3
200-500	640	1.0	292,079	67,195	224,884	23.0	6.9	6.5	8.6
500-1,000	116	0.2	683,645	169,705	513,940	24.8	2.9	2.7	3.9
More than 1,000	52	0.1	2,664,301	814,189	1,850,113	30.6	5.1	4.4	8.4
All	65,239	100.0	41,404	7,673	33,731	18.5	100.0	100.0	100.0

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

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored insurance deduction and self-employment health insurance deduction with a voucher to purchase private insurance. Individual voucher value depends on age and gender; the total voucher for each tax unit is the sum of each individual's voucher. Only individuals not on public insurance receive a voucher. The proposal imposes a revenue neutral comprehensive VAT at tax exclusive rate of 6.7% to finance the voucher. The VAT is distributed to labor earnings plus all capital.

(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.

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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.

Table T09-0258
Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	72.8	26.9	121.2	-31.5	-6,341	3,680.5	-1.0	-1.0	-125.3	-128.7
10-20	65.6	33.9	28.4	-43.4	-4,587	824.7	-1.4	-1.5	-29.5	-33.0
20-30	60.7	39.2	14.1	-39.8	-3,507	-8,015.5	-1.3	-1.2	-14.1	-13.9
30-40	60.4	39.4	9.0	-28.9	-3,005	-196.0	-0.9	-0.5	-8.6	-4.2
40-50	61.8	38.2	6.6	-26.1	-2,733	-76.9	-0.9	0.3	-6.1	1.8
50-75	60.3	39.7	4.0	-58.0	-2,219	-28.9	-2.0	4.5	-3.5	8.7
75-100	53.0	47.0	1.2	-24.1	-898	-6.6	-1.1	10.7	-1.0	14.5
100-200	32.4	67.5	-2.3	92.9	2,460	9.5	1.9	33.7	1.8	21.0
200-500	8.6	91.5	-5.3	114.4	11,873	18.2	3.0	23.4	4.1	26.6
500-1,000	5.5	94.5	-6.1	55.6	31,384	19.4	1.5	10.8	4.6	28.4
More than 1,000	3.2	96.8	-5.9	92.8	115,032	16.3	2.3	20.9	4.3	30.9
All	48.6	51.4	-0.8	100.0	673	3.3	0.0	100.0	0.6	19.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	1,998	3.3	5,059	-172	5,232	-3.4	0.2	0.2	0.0
10-20	3,803	6.4	15,576	-556	16,132	-3.6	0.9	1.2	-0.2
20-30	4,567	7.6	24,929	44	24,886	0.2	1.7	2.1	0.0
30-40	3,867	6.5	35,061	1,533	33,528	4.4	2.1	2.4	0.5
40-50	3,840	6.4	44,910	3,554	41,356	7.9	2.6	3.0	1.1
50-75	10,515	17.6	62,818	7,685	55,133	12.2	10.0	10.8	6.5
75-100	10,783	18.1	87,017	13,530	73,487	15.6	14.2	14.8	11.8
100-200	15,177	25.4	135,259	25,892	109,367	19.1	31.2	31.0	31.8
200-500	3,875	6.5	289,456	65,129	224,326	22.5	17.0	16.2	20.4
500-1,000	712	1.2	680,193	161,911	518,282	23.8	7.4	6.9	9.3
More than 1,000	324	0.5	2,650,897	704,575	1,946,322	26.6	13.1	11.8	18.5
All	59,744	100.0	110,299	20,672	89,627	18.7	100.0	100.0	100.0

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

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(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 T09-0258
Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Head of Household Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	62.9	36.4	37.0	19.7	-2,839	230.2	-13.2	-16.4	-44.1	-63.3
10-20	72.3	27.2	18.5	44.2	-3,153	157.1	-31.6	-42.0	-21.0	-34.4
20-30	66.8	33.0	8.1	28.4	-2,051	481.1	-17.7	-19.9	-8.2	-9.9
30-40	61.2	38.8	4.6	14.6	-1,480	-59.1	-3.2	5.9	-4.3	3.0
40-50	64.0	36.0	3.6	9.5	-1,400	-26.2	2.2	15.4	-3.1	8.8
50-75	50.3	49.6	0.6	3.1	-312	-3.2	18.3	52.8	-0.5	15.4
75-100	30.2	69.6	-2.3	-5.9	1,589	10.1	15.9	37.4	1.9	20.4
100-200	20.1	79.9	-3.2	-6.6	3,205	11.7	15.8	36.5	2.5	24.2
200-500	12.3	87.7	-4.5	-3.1	9,967	16.2	5.8	12.8	3.5	25.3
500-1,000	5.5	94.5	-5.6	-1.6	28,077	17.3	2.8	6.2	4.2	28.5
More than 1,000	6.7	93.3	-6.6	-2.9	124,402	17.0	5.3	11.6	4.7	32.6
All	60.3	39.4	4.3	100.0	-1,481	-36.7	0.0	100.0	-3.9	6.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	2,405	10.3	6,435	-1,233	7,669	-19.2	1.7	2.3	-3.1
10-20	4,868	20.8	15,009	-2,007	17,017	-13.4	8.1	10.3	-10.3
20-30	4,812	20.5	24,923	-426	25,350	-1.7	13.3	15.1	-2.2
30-40	3,429	14.6	34,560	2,502	32,059	7.2	13.2	13.6	9.1
40-50	2,343	10.0	44,753	5,335	39,418	11.9	11.6	11.5	13.2
50-75	3,396	14.5	60,572	9,619	50,954	15.9	22.8	21.5	34.5
75-100	1,290	5.5	85,205	15,775	69,430	18.5	12.2	11.1	21.5
100-200	713	3.0	126,502	27,446	99,056	21.7	10.0	8.8	20.7
200-500	107	0.5	283,499	61,629	221,870	21.7	3.4	2.9	7.0
500-1,000	19	0.1	668,859	162,736	506,123	24.3	1.4	1.2	3.3
More than 1,000	8	0.0	2,631,074	732,563	1,898,511	27.8	2.4	1.9	6.3
All	23,435	100.0	38,440	4,035	34,405	10.5	100.0	100.0	100.0

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

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Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Tax Units with Children

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	65.1	31.6	50.9	183.3	-3,862	268.5	-1.7	-2.3	-62.8	-86.2
10-20	74.1	25.5	20.5	328.2	-3,669	133.4	-3.0	-5.3	-24.2	-42.3
20-30	67.8	32.2	9.1	220.7	-2,404	168.3	-2.0	-3.2	-9.6	-15.3
30-40	63.9	36.1	6.3	153.4	-2,085	-142.2	-1.4	-0.4	-6.0	-1.8
40-50	67.6	32.4	5.4	133.7	-2,197	-52.6	-1.2	1.1	-4.9	4.4
50-75	63.9	36.1	3.6	231.6	-1,904	-22.5	-2.1	7.3	-3.1	10.6
75-100	51.6	48.3	1.0	67.3	-698	-5.0	-0.5	11.9	-0.8	15.4
100-200	31.0	69.0	-2.4	-354.6	2,590	9.9	3.6	36.4	1.9	21.3
200-500	8.6	91.4	-5.5	-392.3	11,991	17.7	3.8	24.0	4.2	27.7
500-1,000	4.5	95.5	-6.5	-187.6	32,756	19.1	1.8	10.8	4.8	30.1
More than 1,000	3.2	96.8	-6.3	-296.8	122,951	16.1	2.9	19.8	4.5	32.8
All	55.5	44.2	0.2	100.0	-131	-0.9	0.0	100.0	-0.2	17.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	3,041	6.2	6,151	-1,438	7,589	-23.4	0.5	0.7	-0.6
10-20	5,731	11.8	15,177	-2,750	17,928	-18.1	2.2	3.1	-2.3
20-30	5,881	12.1	25,010	-1,429	26,439	-5.7	3.6	4.6	-1.2
30-40	4,714	9.7	34,815	1,467	33,348	4.2	4.1	4.7	1.0
40-50	3,898	8.0	44,858	4,175	40,683	9.3	4.3	4.7	2.3
50-75	7,792	16.0	61,928	8,453	53,475	13.7	11.9	12.4	9.4
75-100	6,174	12.7	86,600	14,062	72,538	16.2	13.2	13.4	12.4
100-200	8,773	18.0	135,158	26,237	108,921	19.4	29.3	28.5	32.8
200-500	2,096	4.3	287,617	67,750	219,867	23.6	14.9	13.8	20.2
500-1,000	367	0.8	678,793	171,567	507,226	25.3	6.1	5.6	9.0
More than 1,000	155	0.3	2,707,503	766,165	1,941,338	28.3	10.3	9.0	16.9
All	48,765	100.0	83,132	14,393	68,738	17.3	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 replaces the employer sponsored insurance deduction and self-employment health insurance deduction with a voucher to purchase private insurance. Individual voucher value depends on age and gender; the total voucher for each tax unit is the sum of each individual's voucher. Only individuals not on public insurance receive a voucher. The proposal imposes a revenue neutral comprehensive VAT at tax exclusive rate of 6.7% to finance the voucher. The VAT is distributed to labor earnings plus all capital.

(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 T09-0258
Replace ESI Exclusion and Self-Employment Health Insurance Deduction With Voucher to Purchase Private Insurance
Impose Comprehensive VAT at Tax Exclusive Rate of 6.7%
Distribution of Federal Tax Change by Cash Income Level, 2009¹
Detail Table - Elderly Tax Units

Cash Income Level (thousands of 2009 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	21.6	71.7	23.0	-7.8	-1,340	-9,063.1	-0.8	-0.8	-22.9	-22.6
10-20	11.0	82.2	2.7	-7.1	-416	-341.4	-0.8	-0.5	-2.7	-1.9
20-30	10.5	86.4	1.0	-3.3	-241	-48.3	-0.4	0.4	-1.0	1.1
30-40	12.5	86.7	0.3	-0.6	-96	-9.3	-0.1	0.6	-0.3	2.7
40-50	15.5	84.4	-0.3	0.6	120	6.2	-0.1	1.1	0.3	4.6
50-75	19.8	80.2	-0.7	5.3	382	7.3	-0.3	7.9	0.6	9.0
75-100	25.2	74.7	-0.7	5.2	544	5.7	-0.5	9.9	0.6	11.7
100-200	17.8	82.2	-2.6	29.4	2,922	14.0	0.6	24.5	2.2	17.7
200-500	8.4	91.6	-4.4	32.8	10,423	18.3	1.3	21.6	3.6	23.1
500-1,000	4.7	95.3	-4.8	15.3	24,964	16.5	0.5	11.0	3.7	26.1
More than 1,000	2.1	97.9	-5.3	30.1	100,485	14.5	0.7	24.2	3.9	30.6
All	15.7	81.9	-1.9	100.0	1,167	11.4	0.0	100.0	1.6	15.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2009¹

Cash Income Level (thousands of 2009 dollars) ²	Tax Units ³		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁴ (Dollars)	Average Federal Tax Rate ⁵	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	1,934	6.8	5,854	15	5,839	0.3	0.6	0.6	0.0
10-20	5,637	19.9	15,311	122	15,189	0.8	4.2	4.8	0.2
20-30	4,482	15.8	24,469	498	23,971	2.0	5.3	6.1	0.8
30-40	2,158	7.6	34,695	1,042	33,653	3.0	3.6	4.1	0.8
40-50	1,699	6.0	44,849	1,937	42,912	4.3	3.7	4.1	1.1
50-75	4,598	16.2	62,161	5,211	56,949	8.4	13.9	14.8	8.2
75-100	3,174	11.2	86,323	9,560	76,763	11.1	13.3	13.8	10.4
100-200	3,335	11.8	134,225	20,893	113,332	15.6	21.7	21.3	23.9
200-500	1,043	3.7	291,964	56,953	235,010	19.5	14.8	13.8	20.4
500-1,000	203	0.7	675,705	151,365	524,340	22.4	6.7	6.0	10.5
More than 1,000	99	0.4	2,590,709	692,342	1,898,367	26.7	12.5	10.6	23.6
All	28,390	100.0	72,658	10,270	62,388	14.1	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 replaces the employer sponsored insurance deduction and self-employment health insurance deduction with a voucher to purchase private insurance. Individual voucher value depends on age and gender; the total voucher for each tax unit is the sum of each individual's voucher. Only individuals not on public insurance receive a voucher. The proposal imposes a revenue neutral comprehensive VAT at tax exclusive rate of 6.7% to finance the voucher. The VAT is distributed to labor earnings plus all capital.

(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.