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**Table T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <sup>1</sup>**  
**Summary Table**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average<br>Federal Tax<br>Benefit (\$) | Average Federal Tax Rate<br>(Percent) <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|--|--|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   |  | Change due to<br>Deduction                         | With Deduction |
| <b>Less than 10</b>  | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                                      | 0.0  | -1.8           |
| <b>10-20</b>   | 1.3                               | 98.7                   | 0.0  | 0.7                                       | 3                                      | 0.0  | 0.3            |
| <b>20-30</b>   | 2.9                               | 97.1                   | 0.0  | 2.5                                       | 10                                     | 0.0  | 5.8            |
| <b>30-40</b>   | 4.7                               | 95.3                   | 0.1  | 3.5                                       | 20                                     | -0.1   | 10.8           |
| <b>40-50</b>   | 6.8                               | 93.2                   | 0.1  | 4.4                                       | 30                                     | -0.1   | 13.6           |
| <b>50-75</b>   | 9.7                               | 90.3                   | 0.1  | 19.3                                      | 69                                     | -0.1   | 15.7           |
| <b>75-100</b>  | 11.0                              | 89.0                   | 0.1  | 19.9                                      | 103                                    | -0.1   | 17.4           |
| <b>100-200</b>   | 8.8                               | 91.2                   | 0.1  | 33.9                                      | 150                                    | -0.1   | 19.8           |
| <b>200-500</b>   | 6.0                               | 94.0                   | 0.1  | 11.7                                      | 210                                    | -0.1   | 22.6           |
| <b>500-1,000</b>   | 5.2                               | 94.8                   | 0.1  | 2.5                                       | 249                                    | 0.0  | 24.0           |
| <b>More than 1,000</b>   | 4.1                               | 95.9                   | 0.0  | 1.5                                       | 318                                    | 0.0  | 27.2           |
| <b>All</b>   | 5.6                               | 94.4                   | 0.1  | 100.0                                     | 55                                     | -0.1   | 18.0           |

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

Number of AMT Taxpayers (millions). Baseline: 3.8 Proposal: 3.8

(1) Calendar year. Baseline is current law without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <sup>1</sup>**  
**Detail Table**

| Cash Income Level<br>(thousands of 2009<br>dollars) <sup>2</sup> | Percent of Tax Units <sup>3</sup> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | -0.1           | 0.0                                   | -1.8           |
| 10-20  | 1.3                               | 98.7                   | 0.0  | 0.7                                       | 3                            | 6.6     | 0.0                        | 0.1            | 0.0                                   | 0.3            |
| 20-30  | 2.9                               | 97.1                   | 0.0  | 2.5                                       | 10                           | 0.7     | 0.0                        | 1.6            | 0.0                                   | 5.8            |
| 30-40  | 4.7                               | 95.3                   | 0.1  | 3.5                                       | 20                           | 0.5     | 0.0                        | 3.0            | -0.1                                  | 10.8           |
| 40-50  | 6.8                               | 93.2                   | 0.1  | 4.4                                       | 30                           | 0.5     | 0.0                        | 4.0            | -0.1                                  | 13.6           |
| 50-75  | 9.7                               | 90.3                   | 0.1  | 19.3                                      | 69                           | 0.7     | 0.0                        | 12.2           | -0.1                                  | 15.7           |
| 75-100   | 11.0                              | 89.0                   | 0.1  | 19.9                                      | 103                          | 0.7     | 0.0                        | 13.0           | -0.1                                  | 17.4           |
| 100-200  | 8.8                               | 91.2                   | 0.1  | 33.9                                      | 150                          | 0.6     | 0.0                        | 27.0           | -0.1                                  | 19.8           |
| 200-500  | 6.0                               | 94.0                   | 0.1  | 11.7                                      | 210                          | 0.3     | 0.0                        | 16.3           | -0.1                                  | 22.6           |
| 500-1,000  | 5.2                               | 94.8                   | 0.1  | 2.5                                       | 249                          | 0.2     | 0.0                        | 7.5            | 0.0                                   | 24.0           |
| More than 1,000  | 4.1                               | 95.9                   | 0.0  | 1.5                                       | 318                          | 0.0     | 0.1                        | 15.4           | 0.0                                   | 27.2           |
| All  | 5.6                               | 94.4                   | 0.1  | 100.0                                     | 55                           | 0.5     | 0.0                        | 100.0          | -0.1                                  | 18.0           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 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                         | 41  | 15,046   | 0.3   | 3.3  | 4.0   | 0.1  |
| 20-30  | 20,737                 | 13.7                | 24,780                         | 1,443   | 23,338   | 5.8   | 5.0  | 5.7   | 1.6  |
| 30-40  | 14,945                 | 9.9                 | 34,833                         | 3,794   | 31,039   | 10.9  | 5.0  | 5.5   | 3.0  |
| 40-50  | 12,224                 | 8.1                 | 44,804                         | 6,107   | 38,697   | 13.6  | 5.3  | 5.6   | 4.0  |
| 50-75  | 23,449                 | 15.5                | 61,698                         | 9,758   | 51,940   | 15.8  | 14.0   | 14.4  | 12.2   |
| 75-100   | 16,133                 | 10.7                | 86,623                         | 15,135  | 71,488   | 17.5  | 13.5   | 13.6  | 13.0   |
| 100-200  | 18,960                 | 12.6                | 134,298                        | 26,689  | 107,609  | 19.9  | 24.6   | 24.0  | 27.0   |
| 200-500  | 4,667                  | 3.1                 | 289,582                        | 65,497  | 224,085  | 22.6  | 13.0   | 12.3  | 16.3   |
| 500-1,000  | 857                    | 0.6                 | 680,610                        | 163,443                                       | 517,167  | 24.0  | 5.6  | 5.2   | 7.5  |
| More than 1,000  | 392                    | 0.3                 | 2,700,196                      | 733,565                                       | 1,966,631  | 27.2  | 10.2   | 9.1   | 15.3   |
| All  | 150,979                | 100.0               | 68,631                         | 12,423  | 56,208   | 18.1  | 100.0  | 100.0   | 100.0  |

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

Number of AMT Taxpayers (millions). Baseline: 3.8

Proposal: 3.8

(1) Calendar year. Baseline is current law without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <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> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | 0.4            | 0.0                                   | 3.0            |
| 10-20  | 2.0                               | 98.0                   | 0.0  | 1.7                                       | 5                            | 0.5     | 0.0                        | 2.5            | 0.0                                   | 6.0            |
| 20-30  | 3.7                               | 96.3                   | 0.1  | 4.3                                       | 14                           | 0.5     | 0.0                        | 6.1            | -0.1                                  | 11.2           |
| 30-40  | 5.7                               | 94.3                   | 0.1  | 5.3                                       | 27                           | 0.5     | 0.0                        | 7.9            | -0.1                                  | 15.7           |
| 40-50  | 7.8                               | 92.2                   | 0.1  | 6.4                                       | 40                           | 0.5     | 0.0                        | 9.1            | -0.1                                  | 17.8           |
| 50-75  | 10.0                              | 90.1                   | 0.2  | 23.7                                      | 96                           | 0.8     | 0.0                        | 21.4           | -0.2                                  | 19.6           |
| 75-100   | 10.1                              | 89.9                   | 0.3  | 18.9                                      | 180                          | 1.0     | 0.0                        | 14.4           | -0.2                                  | 21.8           |
| 100-200  | 10.6                              | 89.4                   | 0.3  | 25.1                                      | 311                          | 1.0     | -0.1                       | 17.3           | -0.2                                  | 22.4           |
| 200-500  | 10.2                              | 89.9                   | 0.3  | 11.4                                      | 649                          | 1.0     | 0.0                        | 8.6            | -0.2                                  | 23.0           |
| 500-1,000  | 11.9                              | 88.2                   | 0.1  | 2.2                                       | 681                          | 0.4     | 0.0                        | 3.9            | -0.1                                  | 24.8           |
| More than 1,000  | 6.7                               | 93.3                   | 0.0  | 1.0                                       | 697                          | 0.1     | 0.1                        | 8.4            | 0.0                                   | 30.6           |
| All  | 4.9                               | 95.1                   | 0.2  | 100.0                                     | 56                           | 0.7     | 0.0                        | 100.0          | -0.1                                  | 18.5           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 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                         | 900   | 14,079   | 6.0   | 7.6                         | 8.8                          | 2.4                       |
| 20-30  | 10,999                 | 16.9                | 24,656                         | 2,771   | 21,885   | 11.2  | 10.0                        | 11.0                         | 6.0                       |
| 30-40  | 7,212                  | 11.1                | 34,817                         | 5,474   | 29,343   | 15.7  | 9.3                         | 9.6                          | 7.8                       |
| 40-50  | 5,727                  | 8.8                 | 44,776                         | 8,030   | 36,746   | 17.9  | 9.5                         | 9.6                          | 9.1                       |
| 50-75  | 9,001                  | 13.8                | 60,853                         | 12,006  | 48,847   | 19.7  | 20.3                        | 20.0                         | 21.4                      |
| 75-100   | 3,832                  | 5.9                 | 86,147                         | 18,996  | 67,151   | 22.1  | 12.2                        | 11.7                         | 14.4                      |
| 100-200  | 2,938                  | 4.5                 | 131,358                        | 29,759  | 101,600  | 22.7  | 14.3                        | 13.6                         | 17.3                      |
| 200-500  | 640                    | 1.0                 | 292,079                        | 67,844  | 224,235  | 23.2  | 6.9                         | 6.5                          | 8.6                       |
| 500-1,000  | 116                    | 0.2                 | 683,645                        | 170,386                                       | 513,258  | 24.9  | 2.9                         | 2.7                          | 3.9                       |
| More than 1,000  | 52                     | 0.1                 | 2,664,301                      | 814,885                                       | 1,849,416  | 30.6  | 5.1                         | 4.4                          | 8.4                       |
| All  | 65,239                 | 100.0               | 41,404                         | 7,729   | 33,675   | 18.7  | 100.0                       | 100.0                        | 100.0                     |

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

(1) Calendar year. Baseline is current law without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <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> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | 0.0            | 0.0                                   | -3.4           |
| 10-20  | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | -0.2           | 0.0                                   | -3.6           |
| 20-30  | 2.4                               | 97.6                   | 0.0  | 0.7                                       | 6                            | 12.7    | 0.0                        | 0.0            | 0.0                                   | 0.2            |
| 30-40  | 3.4                               | 96.6                   | 0.0  | 1.0                                       | 11                           | 0.7     | 0.0                        | 0.5            | 0.0                                   | 4.4            |
| 40-50  | 5.1                               | 95.0                   | 0.0  | 1.4                                       | 16                           | 0.4     | 0.0                        | 1.1            | 0.0                                   | 7.9            |
| 50-75  | 10.4                              | 89.6                   | 0.1  | 14.3                                      | 57                           | 0.7     | 0.0                        | 6.5            | -0.1                                  | 12.2           |
| 75-100   | 11.8                              | 88.2                   | 0.1  | 21.0                                      | 82                           | 0.6     | 0.0                        | 11.8           | -0.1                                  | 15.6           |
| 100-200  | 8.7                               | 91.3                   | 0.1  | 44.2                                      | 122                          | 0.5     | 0.0                        | 31.8           | -0.1                                  | 19.1           |
| 200-500  | 5.3                               | 94.7                   | 0.1  | 12.4                                      | 134                          | 0.2     | 0.0                        | 20.4           | -0.1                                  | 22.5           |
| 500-1,000  | 4.1                               | 95.9                   | 0.0  | 3.0                                       | 177                          | 0.1     | 0.0                        | 9.3            | 0.0                                   | 23.8           |
| More than 1,000  | 3.6                               | 96.4                   | 0.0  | 2.0                                       | 259                          | 0.0     | 0.1                        | 18.5           | 0.0                                   | 26.6           |
| All  | 7.3                               | 92.7                   | 0.1  | 100.0                                     | 70                           | 0.3     | 0.0                        | 100.0          | -0.1                                  | 18.7           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 1,998                  | 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                         | 50  | 24,879   | 0.2   | 1.7                         | 2.1                          | 0.0                       |
| 30-40  | 3,867                  | 6.5                 | 35,061                         | 1,544   | 33,518   | 4.4   | 2.1                         | 2.4                          | 0.5                       |
| 40-50  | 3,840                  | 6.4                 | 44,910                         | 3,570   | 41,340   | 8.0   | 2.6                         | 3.0                          | 1.1                       |
| 50-75  | 10,515                 | 17.6                | 62,818                         | 7,742   | 55,076   | 12.3  | 10.0                        | 10.8                         | 6.6                       |
| 75-100   | 10,783                 | 18.1                | 87,017                         | 13,611  | 73,405   | 15.6  | 14.2                        | 14.8                         | 11.8                      |
| 100-200  | 15,177                 | 25.4                | 135,259                        | 26,014  | 109,245  | 19.2  | 31.2                        | 31.0                         | 31.9                      |
| 200-500  | 3,875                  | 6.5                 | 289,456                        | 65,263  | 224,192  | 22.6  | 17.0                        | 16.2                         | 20.4                      |
| 500-1,000  | 712                    | 1.2                 | 680,193                        | 162,088                                       | 518,105  | 23.8  | 7.4                         | 6.9                          | 9.3                       |
| More than 1,000  | 324                    | 0.5                 | 2,650,897                      | 704,834                                       | 1,946,063  | 26.6  | 13.1                        | 11.8                         | 18.5                      |
| All  | 59,744                 | 100.0               | 110,299                        | 20,742  | 89,556   | 18.8  | 100.0                       | 100.0                        | 100.0                     |

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

(1) Calendar year. Baseline is current law without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <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> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | -3.1           | 0.0                                   | -19.2          |
| 10-20  | 0.1                               | 99.9                   | 0.0  | -0.6                                      | 0                            | 0.0     | 0.0                        | -10.3          | 0.0                                   | -13.4          |
| 20-30  | 1.4                               | 98.6                   | 0.0  | 3.8                                       | 3                            | -0.8    | 0.0                        | -2.2           | 0.0                                   | -1.7           |
| 30-40  | 3.6                               | 96.4                   | 0.0  | 11.0                                      | 14                           | 0.5     | 0.0                        | 9.1            | 0.0                                   | 7.2            |
| 40-50  | 7.2                               | 92.8                   | 0.1  | 15.2                                      | 27                           | 0.5     | 0.0                        | 13.2           | -0.1                                  | 11.9           |
| 50-75  | 7.2                               | 92.8                   | 0.1  | 29.9                                      | 37                           | 0.4     | 0.0                        | 34.5           | -0.1                                  | 15.9           |
| 75-100   | 7.4                               | 92.6                   | 0.1  | 21.8                                      | 72                           | 0.5     | 0.0                        | 21.5           | -0.1                                  | 18.5           |
| 100-200  | 5.1                               | 94.9                   | 0.1  | 12.9                                      | 76                           | 0.3     | 0.0                        | 20.7           | -0.1                                  | 21.7           |
| 200-500  | 5.0                               | 95.0                   | 0.1  | 4.6                                       | 182                          | 0.3     | 0.0                        | 7.0            | -0.1                                  | 21.7           |
| 500-1,000  | 7.1                               | 92.9                   | 0.0  | 0.8                                       | 174                          | 0.1     | 0.0                        | 3.3            | 0.0                                   | 24.3           |
| More than 1,000  | 5.1                               | 94.9                   | 0.0  | 0.5                                       | 242                          | 0.0     | 0.0                        | 6.3            | 0.0                                   | 27.8           |
| All  | 3.2                               | 96.8                   | 0.1  | 100.0                                     | 18                           | 0.5     | 0.0                        | 100.0          | -0.1                                  | 10.5           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 2,405                  | 10.3                | 6,435                          | -1,233  | 7,669  | -19.2                                       | 1.7                         | 2.3                          | -3.1                      |
| 10-20  | 4,868                  | 20.8                | 15,009                         | -2,008  | 17,017   | -13.4                                       | 8.1                         | 10.3                         | -10.3                     |
| 20-30  | 4,812                  | 20.5                | 24,923                         | -423  | 25,346   | -1.7  | 13.3                        | 15.1                         | -2.1                      |
| 30-40  | 3,429                  | 14.6                | 34,560                         | 2,515   | 32,045   | 7.3   | 13.2                        | 13.6                         | 9.1                       |
| 40-50  | 2,343                  | 10.0                | 44,753                         | 5,363   | 39,391   | 12.0  | 11.6                        | 11.5                         | 13.2                      |
| 50-75  | 3,396                  | 14.5                | 60,572                         | 9,656   | 50,916   | 15.9  | 22.8                        | 21.5                         | 34.5                      |
| 75-100   | 1,290                  | 5.5                 | 85,205                         | 15,847  | 69,359   | 18.6  | 12.2                        | 11.1                         | 21.5                      |
| 100-200  | 713                    | 3.0                 | 126,502                        | 27,523  | 98,980   | 21.8  | 10.0                        | 8.8                          | 20.7                      |
| 200-500  | 107                    | 0.5                 | 283,499                        | 61,810  | 221,689  | 21.8  | 3.4                         | 2.9                          | 7.0                       |
| 500-1,000  | 19                     | 0.1                 | 668,859                        | 162,910                                       | 505,949  | 24.4  | 1.4                         | 1.2                          | 3.3                       |
| More than 1,000  | 8                      | 0.0                 | 2,631,074                      | 732,805                                       | 1,898,269  | 27.9  | 2.4                         | 1.9                          | 6.2                       |
| All  | 23,435                 | 100.0               | 38,440                         | 4,054   | 34,386   | 10.6  | 100.0                       | 100.0                        | 100.0                     |

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

(1) Calendar year. Baseline is current law without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <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> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | -0.6           | 0.0                                   | -23.4          |
| 10-20  | 0.1                               | 99.9                   | 0.0  | -0.1                                      | 0                            | 0.0     | 0.0                        | -2.3           | 0.0                                   | -18.1          |
| 20-30  | 0.7                               | 99.3                   | 0.0  | 0.6                                       | 2                            | -0.1    | 0.0                        | -1.2           | 0.0                                   | -5.7           |
| 30-40  | 3.3                               | 96.7                   | 0.0  | 2.9                                       | 10                           | 0.7     | 0.0                        | 1.0            | 0.0                                   | 4.2            |
| 40-50  | 5.9                               | 94.2                   | 0.1  | 4.8                                       | 20                           | 0.5     | 0.0                        | 2.3            | 0.0                                   | 9.3            |
| 50-75  | 7.9                               | 92.1                   | 0.1  | 18.3                                      | 37                           | 0.4     | 0.0                        | 9.4            | -0.1                                  | 13.7           |
| 75-100   | 8.0                               | 92.0                   | 0.1  | 19.9                                      | 52                           | 0.4     | 0.0                        | 12.4           | -0.1                                  | 16.2           |
| 100-200  | 5.8                               | 94.2                   | 0.1  | 40.1                                      | 73                           | 0.3     | 0.0                        | 32.8           | -0.1                                  | 19.4           |
| 200-500  | 3.2                               | 96.8                   | 0.0  | 10.0                                      | 76                           | 0.1     | 0.0                        | 20.2           | 0.0                                   | 23.6           |
| 500-1,000  | 2.0                               | 98.0                   | 0.0  | 1.8                                       | 79                           | 0.1     | 0.0                        | 9.0            | 0.0                                   | 25.3           |
| More than 1,000  | 2.9                               | 97.1                   | 0.0  | 1.8                                       | 183                          | 0.0     | 0.0                        | 16.9           | 0.0                                   | 28.3           |
| All  | 4.4                               | 95.6                   | 0.1  | 100.0                                     | 33                           | 0.2     | 0.0                        | 100.0          | 0.0                                   | 17.3           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 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                         | -2,751  | 17,928   | -18.1                                       | 2.2  | 3.1   | -2.2   |
| 20-30  | 5,881                  | 12.1                | 25,010                         | -1,427  | 26,437   | -5.7  | 3.6  | 4.6   | -1.2   |
| 30-40  | 4,714                  | 9.7                 | 34,815                         | 1,476   | 33,339   | 4.2   | 4.1  | 4.7   | 1.0  |
| 40-50  | 3,898                  | 8.0                 | 44,858                         | 4,194   | 40,664   | 9.4   | 4.3  | 4.7   | 2.3  |
| 50-75  | 7,792                  | 16.0                | 61,928                         | 8,490   | 53,438   | 13.7  | 11.9   | 12.4  | 9.4  |
| 75-100   | 6,174                  | 12.7                | 86,600                         | 14,113  | 72,487   | 16.3  | 13.2   | 13.4  | 12.4   |
| 100-200  | 8,773                  | 18.0                | 135,158                        | 26,310  | 108,848  | 19.5  | 29.3   | 28.5  | 32.8   |
| 200-500  | 2,096                  | 4.3                 | 287,617                        | 67,827  | 219,791  | 23.6  | 14.9   | 13.8  | 20.2   |
| 500-1,000  | 367                    | 0.8                 | 678,793                        | 171,646                                       | 507,147  | 25.3  | 6.1  | 5.6   | 9.0  |
| More than 1,000  | 155                    | 0.3                 | 2,707,503                      | 766,348                                       | 1,941,155  | 28.3  | 10.3   | 9.0   | 16.9   |
| All  | 48,765                 | 100.0               | 83,132                         | 14,426  | 68,706   | 17.4  | 100.0  | 100.0   | 100.0  |

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

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 without the deduction for medical and dental expenses.

(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 T09-0327**  
**Deduction for Medical and Dental Expenses Under Current Law**  
**Distribution of Federal Tax Benefits by Cash Income Level, 2009 <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> |                        | Benefit as<br>Percent of<br>After-Tax<br>Income <sup>4</sup> | Share of Total<br>Federal Tax<br>Benefits | Average Federal Tax Benefits |         | Share of Federal Taxes     |                | Average Federal Tax Rate <sup>5</sup> |                |
|--|-----------------------------------|------------------------|--|---|------------------------------|---------|----------------------------|----------------|---------------------------------------|----------------|
|  | With Tax<br>Benefit               | Without Tax<br>Benefit |  |   | Dollars                      | Percent | Change due to<br>Deduction | With Deduction | Change due to<br>Deduction            | With Deduction |
| Less than 10   | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | 0.0            | 0.0                                   | 0.3            |
| 10-20  | 0.0                               | 100.0                  | 0.0  | 0.0                                       | 0                            | 0.0     | 0.0                        | 0.2            | 0.0                                   | 0.8            |
| 20-30  | 0.2                               | 99.8                   | 0.0  | 0.0                                       | 0                            | 0.1     | 0.0                        | 0.8            | 0.0                                   | 2.0            |
| 30-40  | 3.6                               | 96.4                   | 0.0  | 0.5                                       | 11                           | 1.1     | 0.0                        | 0.8            | 0.0                                   | 3.0            |
| 40-50  | 12.0                              | 88.0                   | 0.2  | 2.7                                       | 75                           | 3.8     | 0.0                        | 1.1            | -0.2                                  | 4.3            |
| 50-75  | 19.7                              | 80.3                   | 0.3  | 18.1                                      | 186                          | 3.5     | -0.2                       | 8.2            | -0.3                                  | 8.4            |
| 75-100   | 28.0                              | 72.0                   | 0.5  | 23.0                                      | 342                          | 3.5     | -0.2                       | 10.4           | -0.4                                  | 11.1           |
| 100-200  | 24.3                              | 75.7                   | 0.5  | 35.9                                      | 509                          | 2.4     | -0.2                       | 23.9           | -0.4                                  | 15.6           |
| 200-500  | 15.9                              | 84.1                   | 0.3  | 15.1                                      | 683                          | 1.2     | 0.1                        | 20.4           | -0.2                                  | 19.5           |
| 500-1,000  | 12.3                              | 87.7                   | 0.2  | 3.4                                       | 795                          | 0.5     | 0.1                        | 10.5           | -0.1                                  | 22.4           |
| More than 1,000  | 6.9                               | 93.1                   | 0.0  | 1.4                                       | 648                          | 0.1     | 0.4                        | 23.6           | 0.0                                   | 26.7           |
| All  | 10.9                              | 89.1                   | 0.3  | 100.0                                     | 167                          | 1.6     | 0.0                        | 100.0          | -0.2                                  | 14.1           |

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2009 <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   | 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                         | 4.9                          | 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                         | 1,053   | 33,641   | 3.0   | 3.6                         | 4.1                          | 0.8                       |
| 40-50  | 1,699                  | 6.0                 | 44,849                         | 2,012   | 42,837   | 4.5   | 3.7                         | 4.1                          | 1.2                       |
| 50-75  | 4,598                  | 16.2                | 62,161                         | 5,398   | 56,763   | 8.7   | 13.9                        | 14.8                         | 8.4                       |
| 75-100   | 3,174                  | 11.2                | 86,323                         | 9,902   | 76,421   | 11.5  | 13.3                        | 13.7                         | 10.6                      |
| 100-200  | 3,335                  | 11.8                | 134,225                        | 21,401  | 112,824  | 15.9  | 21.7                        | 21.3                         | 24.1                      |
| 200-500  | 1,043                  | 3.7                 | 291,964                        | 57,636  | 234,327  | 19.7  | 14.8                        | 13.8                         | 20.3                      |
| 500-1,000  | 203                    | 0.7                 | 675,705                        | 152,160                                       | 523,545  | 22.5  | 6.7                         | 6.0                          | 10.4                      |
| More than 1,000  | 99                     | 0.4                 | 2,590,709                      | 692,990                                       | 1,897,719  | 26.8  | 12.5                        | 10.7                         | 23.2                      |
| All  | 28,390                 | 100.0               | 72,658                         | 10,436  | 62,221   | 14.4  | 100.0                       | 100.0                        | 100.0                     |

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

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 without the deduction for medical and dental expenses.

(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.