

Table T09-0266

**Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019 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	0.4	8.8	-2.7	3.6	161	2.5	9.1
10-20	3.7	15.0	-2.2	12.5	379	2.0	7.7
20-30	13.8	13.6	-1.2	11.1	327	1.1	10.4
30-40	23.2	17.9	-0.6	5.7	207	0.5	13.9
40-50	22.1	31.4	-0.4	3.3	168	0.3	17.1
50-75	21.7	42.2	-0.3	5.7	162	0.2	20.0
75-100	22.2	46.9	-0.4	7.3	306	0.3	22.6
100-200	22.7	48.5	-0.6	29.8	732	0.4	25.3
200-500	20.5	50.2	-0.5	16.4	1,219	0.4	28.1
500-1,000	16.9	47.3	-0.2	2.9	1,449	0.2	28.4
More than 1,000	15.2	45.1	-0.1	1.3	1,294	0.0	32.0
All	16.6	30.2	-0.5	100.0	395	0.4	24.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-3).

Number of AMT Taxpayers (millions). Baseline: 43.1

Proposal: 45.1

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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 T09-0266
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019¹
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	0.4	8.8	-2.7	3.6	161	39.1	0.1	0.2	2.5	9.1
10-20	3.7	15.0	-2.2	12.5	379	35.9	0.2	0.8	2.0	7.7
20-30	13.8	13.6	-1.2	11.1	327	11.4	0.2	1.8	1.1	10.4
30-40	23.2	17.9	-0.6	5.7	207	3.6	0.1	2.6	0.5	13.9
40-50	22.1	31.4	-0.4	3.3	168	1.8	0.0	2.9	0.3	17.1
50-75	21.7	42.2	-0.3	5.7	162	1.1	-0.1	8.5	0.2	20.0
75-100	22.2	46.9	-0.4	7.3	306	1.3	0.0	9.2	0.3	22.6
100-200	22.7	48.5	-0.6	29.8	732	1.8	0.0	27.9	0.4	25.3
200-500	20.5	50.2	-0.5	16.4	1,219	1.3	-0.1	21.2	0.4	28.1
500-1,000	16.9	47.3	-0.2	2.9	1,449	0.6	-0.1	7.5	0.2	28.4
More than 1,000	15.2	45.1	-0.1	1.3	1,294	0.1	-0.3	17.3	0.0	32.0
All	16.6	30.2	-0.5	100.0	395	1.6	0.0	100.0	0.4	24.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019¹

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	15,216	8.9	6,340	413	5,927	6.5	0.6	0.7	0.2
10-20	22,318	13.0	18,629	1,057	17,573	5.7	2.4	3.0	0.6
20-30	23,036	13.5	30,736	2,870	27,867	9.3	4.1	4.9	1.6
30-40	18,537	10.8	42,822	5,744	37,078	13.4	4.6	5.2	2.6
40-50	13,113	7.7	55,035	9,259	45,776	16.8	4.2	4.5	2.9
50-75	23,535	13.8	75,739	14,996	60,743	19.8	10.3	10.8	8.5
75-100	16,057	9.4	106,668	23,799	82,869	22.3	9.9	10.1	9.3
100-200	27,562	16.1	168,288	41,822	126,466	24.9	26.7	26.4	27.9
200-500	9,079	5.3	347,637	96,618	251,019	27.8	18.2	17.2	21.2
500-1,000	1,336	0.8	831,071	234,797	596,273	28.3	6.4	6.0	7.6
More than 1,000	656	0.4	3,459,830	1,104,557	2,355,272	31.9	13.1	11.7	17.5
All	171,212	100.0	101,380	24,130	77,250	23.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

Number of AMT Taxpayers (millions). Baseline: 43.1 Proposal: 45.1

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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 T09-0266
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019 ¹
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	0.3	8.1	-2.2	20.7	125	21.0	0.1	0.8	2.0	11.4
10-20	5.5	11.4	-0.6	19.7	94	5.4	0.1	2.4	0.5	10.0
20-30	19.9	4.8	0.4	-21.8	-106	-3.0	-0.2	4.4	-0.3	11.0
30-40	32.3	6.5	0.6	-32.5	-223	-3.5	-0.2	5.6	-0.5	14.3
40-50	21.1	32.9	-0.1	2.2	23	0.2	0.0	6.2	0.0	18.8
50-75	10.4	55.5	-0.6	51.0	329	1.9	0.2	17.2	0.4	23.4
75-100	7.9	57.2	-0.5	28.6	351	1.3	0.1	14.3	0.3	26.3
100-200	9.6	48.6	-0.3	27.5	348	0.8	0.0	22.5	0.2	27.6
200-500	13.9	35.0	-0.1	3.1	166	0.2	-0.1	12.1	0.1	29.5
500-1,000	9.7	33.9	0.0	0.6	195	0.1	0.0	4.3	0.0	30.0
More than 1,000	7.7	30.7	0.0	0.3	186	0.0	-0.1	10.2	0.0	35.0
All	13.2	22.9	-0.2	100.0	86	0.6	0.0	100.0	0.1	23.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019 ¹

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	10,898	14.2	6,340	595	5,745	9.4	1.5	1.8	0.6
10-20	13,747	17.9	18,508	1,758	16,751	9.5	5.6	6.6	2.3
20-30	13,575	17.7	30,687	3,476	27,210	11.3	9.2	10.5	4.6
30-40	9,599	12.5	42,672	6,328	36,345	14.8	9.0	10.0	5.9
40-50	6,219	8.1	55,020	10,331	44,689	18.8	7.5	7.9	6.2
50-75	10,179	13.3	75,275	17,307	57,968	23.0	16.9	16.8	17.0
75-100	5,356	7.0	105,607	27,410	78,198	26.0	12.5	12.0	14.2
100-200	5,192	6.8	163,607	44,861	118,746	27.4	18.7	17.6	22.5
200-500	1,217	1.6	350,420	103,201	247,219	29.5	9.4	8.6	12.1
500-1,000	184	0.2	811,418	243,366	568,052	30.0	3.3	3.0	4.3
More than 1,000	89	0.1	3,403,318	1,190,282	2,213,036	35.0	6.7	5.7	10.3
All	76,642	100.0	59,235	13,524	45,711	22.8	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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 T09-0266
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019 ¹
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	1.0	15.3	-8.2	1.8	402	108.4	0.0	0.1	7.6	14.7
10-20	0.4	23.1	-5.1	6.1	925	108.0	0.1	0.2	4.9	9.4
20-30	3.5	24.3	-3.0	7.9	843	36.1	0.1	0.5	2.7	10.3
30-40	9.9	24.0	-1.5	5.2	570	12.8	0.1	0.8	1.3	11.7
40-50	17.4	24.4	-0.7	2.5	321	4.7	0.0	0.9	0.6	13.1
50-75	29.1	28.5	-0.1	0.6	32	0.3	-0.1	3.5	0.0	15.5
75-100	28.2	42.5	-0.4	6.1	332	1.6	0.0	6.4	0.3	20.0
100-200	25.4	49.4	-0.7	39.8	881	2.1	0.2	31.0	0.5	24.6
200-500	21.4	53.4	-0.6	23.5	1,412	1.5	-0.1	26.4	0.4	28.0
500-1,000	18.3	49.9	-0.3	4.0	1,665	0.7	-0.1	9.3	0.2	28.2
More than 1,000	16.4	48.0	-0.1	1.8	1,483	0.1	-0.3	20.9	0.0	31.5
All	20.6	39.1	-0.6	100.0	714	1.7	0.0	100.0	0.4	25.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019 ¹

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	2,017	3.2	5,266	371	4,895	7.1	0.1	0.1	0.0
10-20	3,019	4.7	18,993	857	18,136	4.5	0.5	0.7	0.1
20-30	4,259	6.7	30,922	2,337	28,585	7.6	1.2	1.5	0.4
30-40	4,182	6.6	43,101	4,467	38,634	10.4	1.6	2.0	0.7
40-50	3,579	5.6	55,177	6,914	48,263	12.5	1.8	2.1	0.9
50-75	8,282	13.0	76,619	11,824	64,796	15.4	5.8	6.5	3.6
75-100	8,356	13.1	107,732	21,182	86,550	19.7	8.2	8.8	6.4
100-200	20,595	32.3	170,416	41,111	129,305	24.1	31.9	32.3	30.8
200-500	7,584	11.9	346,930	95,593	251,337	27.6	23.9	23.1	26.4
500-1,000	1,106	1.7	834,311	233,877	600,434	28.0	8.4	8.1	9.4
More than 1,000	542	0.9	3,418,069	1,073,726	2,344,344	31.4	16.8	15.4	21.2
All	63,816	100.0	172,338	43,042	129,297	25.0	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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 T09-0266
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019 ¹
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	0.6	5.3	-1.3	2.4	105	-21.7	0.1	-0.3	1.4	-5.2
10-20	0.7	18.2	-4.0	43.8	780	-107.2	1.5	0.1	4.2	0.3
20-30	5.4	27.5	-3.6	54.5	1,040	69.6	1.7	4.4	3.4	8.3
30-40	17.1	34.6	-1.9	32.8	693	12.6	0.8	9.7	1.6	14.4
40-50	31.6	33.0	-0.1	0.8	25	0.3	-0.3	9.9	0.1	17.2
50-75	35.5	35.3	0.5	-14.7	-308	-2.0	-1.3	23.5	-0.4	19.8
75-100	38.0	35.0	0.6	-11.1	-518	-2.1	-1.0	16.9	-0.5	22.7
100-200	33.9	33.5	0.4	-7.5	-467	-1.2	-1.0	21.3	-0.3	25.5
200-500	29.3	20.5	0.2	-1.2	-556	-0.6	-0.3	6.9	-0.2	26.7
500-1,000	17.0	35.8	0.0	0.1	194	0.1	-0.1	2.4	0.0	25.8
More than 1,000	18.8	24.8	0.0	0.0	-258	0.0	-0.2	5.3	0.0	32.4
All	17.6	27.8	-0.7	100.0	334	3.4	0.0	100.0	0.6	18.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019 ¹

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	Share of Post- Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Less than 10	2,183	7.7	7,344	-483	7,828	-6.6	1.0	1.3	-0.4
10-20	5,310	18.8	18,744	-728	19,472	-3.9	6.4	8.1	-1.4
20-30	4,952	17.5	30,697	1,494	29,203	4.9	9.8	11.3	2.7
30-40	4,473	15.8	42,878	5,499	37,379	12.8	12.3	13.0	8.9
40-50	2,986	10.6	54,861	9,433	45,428	17.2	10.5	10.6	10.2
50-75	4,521	16.0	75,156	15,165	59,990	20.2	21.8	21.2	24.8
75-100	2,018	7.1	105,144	24,408	80,736	23.2	13.6	12.7	17.8
100-200	1,518	5.4	157,302	40,531	116,771	25.8	15.3	13.8	22.2
200-500	208	0.7	353,325	94,702	258,623	26.8	4.7	4.2	7.1
500-1,000	32	0.1	832,114	214,233	617,882	25.8	1.7	1.6	2.5
More than 1,000	14	0.1	3,377,088	1,094,352	2,282,736	32.4	3.0	2.5	5.5
All	28,273	100.0	55,137	9,783	45,355	17.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

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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 <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 T09-0266
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Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019¹
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	2.1	7.5	-2.6	1.0	204	-27.8	0.0	-0.1	2.9	-7.5
10-20	0.4	22.5	-5.6	11.1	1,134	-79.1	0.4	-0.1	6.1	-1.6
20-30	3.6	30.3	-4.8	14.4	1,413	128.3	0.5	0.9	4.6	8.2
30-40	10.9	39.6	-2.9	10.2	1,077	20.5	0.3	2.0	2.5	14.8
40-50	23.5	39.1	-1.0	3.4	477	5.2	0.0	2.3	0.9	17.7
50-75	29.6	41.7	-0.4	3.5	254	1.7	-0.1	6.8	0.3	19.6
75-100	26.4	53.1	-0.7	5.7	545	2.3	-0.1	8.3	0.5	22.6
100-200	20.8	65.0	-1.2	30.3	1,503	3.5	0.0	29.8	0.9	26.4
200-500	17.9	66.1	-0.9	16.2	2,218	2.3	-0.3	24.4	0.6	29.1
500-1,000	13.4	63.6	-0.5	2.8	2,683	1.1	-0.2	8.5	0.3	30.0
More than 1,000	12.2	62.3	-0.1	1.1	2,393	0.2	-0.6	17.1	0.1	33.1
All	16.6	44.8	-1.1	100.0	1,056	3.4	0.0	100.0	0.9	25.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019¹

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	2,546	4.9	7,027	-733	7,760	-10.4	0.3	0.4	-0.1
10-20	5,377	10.4	18,656	-1,434	20,090	-7.7	1.6	2.2	-0.5
20-30	5,600	10.8	30,657	1,101	29,556	3.6	2.7	3.4	0.4
30-40	5,184	10.0	42,987	5,264	37,724	12.2	3.4	4.0	1.7
40-50	3,885	7.5	55,138	9,258	45,880	16.8	3.3	3.7	2.3
50-75	7,565	14.6	75,999	14,660	61,339	19.3	8.9	9.5	6.9
75-100	5,696	11.0	107,089	23,600	83,489	22.0	9.4	9.8	8.4
100-200	11,048	21.3	169,242	43,222	126,020	25.5	28.9	28.6	29.8
200-500	3,997	7.7	346,789	98,716	248,073	28.5	21.4	20.3	24.6
500-1,000	567	1.1	831,182	246,987	584,196	29.7	7.3	6.8	8.7
More than 1,000	253	0.5	3,382,075	1,118,026	2,264,048	33.1	13.2	11.8	17.7
All	51,871	100.0	124,878	30,881	93,996	24.7	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

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 health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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 T09-0266
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Non-refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Level, 2019¹
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	0.0	3.7	-1.2	5.2	72	28.5	0.0	0.1	1.2	5.2
10-20	0.8	3.6	-0.4	13.5	67	10.7	0.0	0.5	0.4	3.6
20-30	2.1	2.5	-0.1	8.4	32	3.0	0.0	1.0	0.1	3.5
30-40	3.1	3.1	0.0	1.3	7	0.3	0.0	1.2	0.0	4.9
40-50	2.9	5.3	-0.1	2.9	32	1.1	0.0	0.9	0.1	5.5
50-75	4.8	9.0	-0.1	5.6	38	0.5	0.0	3.6	0.1	9.9
75-100	8.8	16.9	-0.1	8.7	67	0.4	0.0	7.9	0.1	17.1
100-200	11.1	18.4	-0.1	21.9	91	0.3	0.0	27.8	0.1	20.6
200-500	9.6	22.0	-0.1	26.3	328	0.4	0.0	24.0	0.1	25.9
500-1,000	8.8	19.9	-0.1	4.0	329	0.2	0.0	8.8	0.0	26.7
More than 1,000	8.2	18.9	0.0	2.2	338	0.0	-0.1	24.2	0.0	31.7
All	4.9	9.0	-0.1	100.0	70	0.3	0.0	100.0	0.1	19.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2019¹

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	1,881	5.1	6,274	253	6,021	4.0	0.3	0.4	0.1
10-20	5,216	14.1	19,399	634	18,765	3.3	2.6	3.1	0.4
20-30	6,858	18.5	30,858	1,058	29,800	3.4	5.4	6.5	0.9
30-40	4,723	12.7	42,480	2,060	40,420	4.9	5.1	6.0	1.2
40-50	2,385	6.4	54,463	2,971	51,493	5.5	3.3	3.9	0.9
50-75	3,763	10.1	76,385	7,520	68,865	9.8	7.3	8.2	3.6
75-100	3,384	9.1	107,102	18,224	88,878	17.0	9.2	9.5	7.9
100-200	6,294	17.0	168,679	34,729	133,950	20.6	26.9	26.6	27.9
200-500	2,092	5.6	348,365	89,985	258,380	25.8	18.4	17.1	24.0
500-1,000	313	0.8	830,018	221,256	608,761	26.7	6.6	6.0	8.8
More than 1,000	170	0.5	3,548,849	1,123,271	2,425,578	31.7	15.2	13.0	24.3
All	37,096	100.0	106,595	21,157	85,438	19.9	100.0	100.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-3).

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 health insurance exclusion with a non-refundable tax credit of \$2,300 for single coverage and \$5,700 for family coverage in 2010. For subsequent years, the credit levels are indexed by the average growth between CPI and medical 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.