

Table T09-0269
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile, 2019 ¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	19.3	2.3	3.3	190.3	-469	-3.1	3.0
Second Quintile	29.2	8.2	1.3	155.7	-419	-1.1	11.0
Middle Quintile	27.8	33.8	0.4	81.8	-248	-0.4	18.7
Fourth Quintile	23.7	46.3	-0.3	-83.0	297	0.2	23.2
Top Quintile	21.8	48.8	-0.4	-253.2	1,028	0.3	28.5
All	24.4	24.4	0.1	100.0	-61	-0.1	23.7
Addendum							
80-90	23.3	48.2	-0.6	-108.5	866	0.5	25.9
90-95	20.7	52.2	-0.6	-73.9	1,227	0.5	27.6
95-99	20.6	47.2	-0.4	-55.6	1,147	0.3	28.4
Top 1 Percent	16.9	45.3	-0.1	-15.1	1,242	0.1	31.2
Top 0.1 Percent	16.4	41.2	0.0	-1.2	975	0.0	33.5

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

Number of AMT Taxpayers (millions). Baseline: 43.1

Proposal: 48.9

(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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$22,005, 40% \$41,316, 60% \$74,736, 80% \$128,774, 90% \$186,996, 95% \$262,112, 99% \$656,694, 99.9% \$2,977,393.

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

(5) 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.

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

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Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	19.3	2.3	3.3	190.3	-469	-51.2	-0.5	0.5	-3.1	3.0
Second Quintile	29.2	8.2	1.3	155.7	-419	-9.1	-0.4	4.0	-1.1	11.0
Middle Quintile	27.8	33.8	0.4	81.8	-248	-1.9	-0.2	10.8	-0.4	18.7
Fourth Quintile	23.7	46.3	-0.3	-83.0	297	1.1	0.3	19.9	0.2	23.2
Top Quintile	21.8	48.8	-0.4	-253.2	1,028	1.0	0.8	64.8	0.3	28.5
All	24.4	24.4	0.1	100.0	-61	-0.3	0.0	100.0	-0.1	23.7
Addendum										
80-90	23.3	48.2	-0.6	-108.5	866	1.8	0.3	15.5	0.5	25.9
90-95	20.7	52.2	-0.6	-73.9	1,227	1.7	0.2	11.3	0.5	27.6
95-99	20.6	47.2	-0.4	-55.6	1,147	0.9	0.2	16.1	0.3	28.4
Top 1 Percent	16.9	45.3	-0.1	-15.1	1,242	0.2	0.1	21.8	0.1	31.2
Top 0.1 Percent	16.4	41.2	0.0	-1.2	975	0.0	0.0	10.2	0.0	33.5

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

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	42,307	24.7	15,025	918	14,107	6.1	3.7	4.5	0.9
Second Quintile	38,787	22.7	38,100	4,611	33,490	12.1	8.5	9.8	4.3
Middle Quintile	34,443	20.1	69,239	13,203	56,036	19.1	13.7	14.6	11.0
Fourth Quintile	29,202	17.1	121,067	27,825	93,242	23.0	20.4	20.6	19.7
Top Quintile	25,704	15.0	364,582	102,783	261,799	28.2	54.0	50.9	64.0
All	171,212	100.0	101,380	24,130	77,250	23.8	100.0	100.0	100.0
Addendum									
80-90	13,086	7.6	188,516	48,020	140,496	25.5	14.2	13.9	15.2
90-95	6,284	3.7	269,177	73,173	196,004	27.2	9.7	9.3	11.1
95-99	5,062	3.0	461,631	130,145	331,486	28.2	13.5	12.7	16.0
Top 1 Percent	1,273	0.7	2,259,144	702,968	1,556,176	31.1	16.6	15.0	21.7
Top 0.1 Percent	130	0.1	9,677,330	3,236,178	6,441,152	33.4	7.3	6.4	10.2

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

Number of AMT Taxpayers (millions). Baseline: 43.1

Proposal: 48.9

(1) Calendar year. Baseline is current law. Proposal replaces the employer sponsored health insurance exclusion with a 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.

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(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$22,005, 40% \$41,316, 60% \$74,736, 80% \$128,774, 90% \$186,996, 95% \$262,112, 99% \$656,694, 99.9% \$2,977,393.

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

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

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Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	19.4	3.7	3.9	173.8	-520	-97.8	-0.4	0.0	-3.7	0.1
Second Quintile	25.8	8.2	1.4	148.6	-436	-10.5	-0.4	3.2	-1.3	10.6
Middle Quintile	33.9	18.9	0.7	120.2	-360	-3.5	-0.3	8.4	-0.6	16.5
Fourth Quintile	22.3	48.4	-0.5	-114.4	369	1.6	0.3	19.0	0.4	22.8
Top Quintile	20.2	46.8	-0.3	-236.5	755	0.9	0.8	69.2	0.2	28.2
All	24.4	24.4	0.1	100.0	-61	-0.3	0.0	100.0	-0.1	23.7
Addendum										
80-90	21.1	48.1	-0.6	-110.4	697	1.7	0.3	16.6	0.4	25.7
90-95	19.0	48.7	-0.5	-63.3	809	1.3	0.2	12.4	0.4	27.1
95-99	20.2	42.6	-0.3	-49.7	805	0.7	0.2	17.5	0.2	28.3
Top 1 Percent	17.4	40.6	-0.1	-13.1	881	0.2	0.1	22.7	0.1	30.9
Top 0.1 Percent	15.8	38.2	0.0	-1.1	765	0.0	0.0	10.7	0.0	33.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	34,895	20.4	13,998	532	13,466	3.8	2.8	3.6	0.5
Second Quintile	35,601	20.8	34,855	4,134	30,721	11.9	7.2	8.3	3.6
Middle Quintile	34,837	20.4	60,509	10,341	50,167	17.1	12.1	13.2	8.7
Fourth Quintile	32,404	18.9	106,149	23,843	82,307	22.5	19.8	20.2	18.7
Top Quintile	32,706	19.1	309,674	86,480	223,194	27.9	58.4	55.2	68.5
All	171,212	100.0	101,380	24,130	77,250	23.8	100.0	100.0	100.0
Addendum									
80-90	16,541	9.7	161,108	40,620	120,488	25.2	15.4	15.1	16.3
90-95	8,163	4.8	230,655	61,783	168,872	26.8	10.9	10.4	12.2
95-99	6,452	3.8	395,230	111,050	284,181	28.1	14.7	13.9	17.3
Top 1 Percent	1,549	0.9	1,956,143	603,979	1,352,164	30.9	17.5	15.8	22.7
Top 0.1 Percent	154	0.1	8,570,448	2,849,339	5,721,109	33.3	7.6	6.7	10.6

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

Number of AMT Taxpayers (millions). Baseline: 43.1 Proposal: 48.9

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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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

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

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

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Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	17.3	1.0	3.7	76.7	-346	-37.5	-0.6	1.0	-3.4	5.6
Second Quintile	21.6	1.4	1.1	55.6	-257	-8.6	-0.4	4.7	-1.0	10.1
Middle Quintile	31.3	11.2	0.6	49.6	-240	-3.3	-0.3	11.5	-0.5	15.4
Fourth Quintile	10.8	55.2	-0.5	-45.8	300	1.7	0.5	22.0	0.4	23.5
Top Quintile	9.9	49.1	-0.2	-38.6	302	0.5	0.8	60.6	0.2	29.0
All	19.3	18.9	0.2	100.0	-108	-0.8	0.0	100.0	-0.2	22.7
Addendum										
80-90	8.1	55.0	-0.4	-24.8	362	1.2	0.3	17.2	0.3	26.8
90-95	10.4	49.5	-0.3	-10.2	333	0.7	0.2	11.4	0.2	27.8
95-99	14.6	34.7	-0.1	-2.8	118	0.2	0.1	15.2	0.0	28.8
Top 1 Percent	9.8	33.7	0.0	-0.8	166	0.0	0.1	16.8	0.0	33.1
Top 0.1 Percent	10.0	33.8	0.0	-0.1	160	0.0	0.1	7.6	0.0	36.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	Percent of Total
Lowest Quintile	18,284	23.9	10,242	922	9,320	9.0	4.1	4.9	1.6
Second Quintile	17,835	23.3	27,000	2,975	24,025	11.0	10.6	12.2	5.1
Middle Quintile	17,011	22.2	45,378	7,211	38,167	15.9	17.0	18.5	11.8
Fourth Quintile	12,595	16.4	76,543	17,698	58,845	23.1	21.2	21.2	21.5
Top Quintile	10,530	13.7	204,012	58,877	145,135	28.9	47.3	43.6	59.8
All	76,642	100.0	59,235	13,524	45,711	22.8	100.0	100.0	100.0
Addendum									
80-90	5,655	7.4	116,794	30,883	85,911	26.4	14.6	13.9	16.9
90-95	2,537	3.3	166,485	45,986	120,499	27.6	9.3	8.7	11.3
95-99	1,940	2.5	280,341	80,608	199,733	28.8	12.0	11.1	15.1
Top 1 Percent	398	0.5	1,309,132	432,438	876,694	33.0	11.5	10.0	16.6
Top 0.1 Percent	34	0.0	6,322,479	2,305,270	4,017,209	36.5	4.7	3.9	7.6

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 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

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

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

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Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	23.8	5.5	4.8	-52.4	-832	-90.7	-0.2	0.0	-4.6	0.5
Second Quintile	31.9	9.1	2.0	-61.9	-784	-14.2	-0.3	1.5	-1.7	10.5
Middle Quintile	33.0	26.4	0.5	-36.7	-360	-2.6	-0.2	5.5	-0.5	16.5
Fourth Quintile	28.2	45.3	-0.5	73.0	510	1.8	0.2	16.9	0.4	22.3
Top Quintile	25.2	46.4	-0.4	183.2	998	1.0	0.4	76.1	0.3	27.9
All	28.2	32.7	-0.1	100.0	174	0.4	0.0	100.0	0.1	25.1
Addendum										
80-90	27.9	45.3	-0.6	80.0	906	2.0	0.3	16.9	0.5	25.2
90-95	22.8	48.9	-0.5	49.9	1,052	1.5	0.2	13.6	0.4	26.9
95-99	23.0	46.7	-0.3	42.2	1,109	0.9	0.1	19.5	0.3	28.2
Top 1 Percent	20.2	43.7	-0.1	11.1	1,136	0.2	-0.1	26.1	0.1	30.5
Top 0.1 Percent	17.9	39.9	0.0	0.9	887	0.0	-0.1	12.1	0.0	32.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	7,015	11.0	18,283	918	17,366	5.0	1.2	1.5	0.2
Second Quintile	8,788	13.8	44,970	5,516	39,454	12.3	3.6	4.2	1.8
Middle Quintile	11,369	17.8	80,087	13,603	66,484	17.0	8.3	9.2	5.6
Fourth Quintile	15,917	24.9	130,806	28,698	102,108	21.9	18.9	19.7	16.6
Top Quintile	20,432	32.0	367,626	101,666	265,960	27.7	68.3	65.9	75.6
All	63,816	100.0	172,338	43,042	129,297	25.0	100.0	100.0	100.0
Addendum									
80-90	9,825	15.4	188,187	46,449	141,738	24.7	16.8	16.9	16.6
90-95	5,286	8.3	263,354	69,801	193,553	26.5	12.7	12.4	13.4
95-99	4,238	6.6	450,604	126,043	324,560	28.0	17.4	16.7	19.5
Top 1 Percent	1,084	1.7	2,178,195	662,262	1,515,932	30.4	21.5	19.9	26.1
Top 0.1 Percent	111	0.2	9,178,922	2,993,689	6,185,232	32.6	9.3	8.4	12.2

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

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

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	20.2	6.9	3.5	32.1	-654	116.4	-2.5	-4.4	-3.6	-6.7
Second Quintile	28.6	20.2	1.4	23.2	-511	-10.2	-0.6	15.1	-1.3	11.0
Middle Quintile	46.0	22.7	1.9	30.8	-1,006	-7.8	-0.3	26.9	-1.5	17.7
Fourth Quintile	40.6	35.3	0.8	10.2	-604	-2.5	1.3	29.8	-0.6	22.8
Top Quintile	32.3	27.3	0.3	3.3	-503	-0.8	2.0	32.6	-0.2	27.0
All	30.9	18.3	1.5	100.0	-672	-6.9	0.0	100.0	-1.2	16.5
Addendum										
80-90	35.7	27.6	0.5	2.3	-551	-1.4	0.7	12.3	-0.4	25.7
90-95	30.6	29.9	0.3	0.6	-462	-0.8	0.3	5.3	-0.2	26.8
95-99	22.3	23.9	0.1	0.4	-374	-0.4	0.5	7.0	-0.1	26.4
Top 1 Percent	22.9	23.1	0.0	0.1	-381	-0.1	0.5	8.0	0.0	30.0
Top 0.1 Percent	17.7	23.8	0.0	0.0	-297	0.0	0.2	3.5	0.0	33.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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							
Lowest Quintile	9,319	33.0	18,179	-561	18,740	-3.1	10.9	13.6	-1.9
Second Quintile	8,612	30.5	40,921	5,021	35,900	12.3	22.6	24.1	15.6
Middle Quintile	5,808	20.5	67,364	12,943	54,421	19.2	25.1	24.7	27.2
Fourth Quintile	3,221	11.4	104,706	24,438	80,268	23.3	21.6	20.2	28.5
Top Quintile	1,254	4.4	247,845	67,373	180,472	27.2	19.9	17.7	30.6
All	28,273	100.0	55,137	9,783	45,355	17.7	100.0	100.0	100.0
Addendum									
80-90	789	2.8	155,631	40,599	115,032	26.1	7.9	7.1	11.6
90-95	241	0.9	212,233	57,356	154,877	27.0	3.3	2.9	5.0
95-99	185	0.7	371,174	98,284	272,890	26.5	4.4	3.9	6.6
Top 1 Percent	40	0.1	1,721,613	516,142	1,205,471	30.0	4.4	3.7	7.4
Top 0.1 Percent	3	0.0	8,196,561	2,711,849	5,484,713	33.1	1.7	1.4	3.2

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 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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

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

(5) 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.

(6) 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 T09-0269
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	20.9	9.7	3.1	-68.9	-630	88.0	-0.4	-1.0	-3.2	-6.9
Second Quintile	30.8	22.7	1.3	-52.6	-503	-8.2	-0.4	3.8	-1.1	12.2
Middle Quintile	37.1	37.5	0.5	-30.5	-296	-1.8	-0.3	10.9	-0.4	19.8
Fourth Quintile	25.5	59.0	-0.9	92.9	925	2.7	0.5	22.8	0.7	25.1
Top Quintile	20.0	64.3	-0.7	162.4	2,059	1.7	0.7	63.3	0.5	30.0
All	27.2	36.8	-0.2	100.0	201	0.7	0.0	100.0	0.2	24.9
Addendum										
80-90	21.4	65.5	-1.2	80.2	1,975	3.3	0.4	16.1	0.9	28.1
90-95	18.3	66.1	-1.0	41.0	2,143	2.4	0.2	11.2	0.7	29.0
95-99	19.9	59.6	-0.6	32.4	2,112	1.3	0.1	15.9	0.4	29.7
Top 1 Percent	14.3	60.8	-0.1	8.8	2,324	0.3	-0.1	20.2	0.1	32.5
Top 0.1 Percent	13.6	56.5	0.0	0.7	1,979	0.1	-0.1	8.8	0.0	33.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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	Percent of Total	
Lowest Quintile	11,401	22.0	19,539	-716	20,255	-3.7	3.4	4.7	-0.5	
Second Quintile	10,907	21.0	46,336	6,148	40,188	13.3	7.8	9.0	4.2	
Middle Quintile	10,715	20.7	83,064	16,749	66,315	20.2	13.7	14.6	11.2	
Fourth Quintile	10,471	20.2	140,306	34,216	106,089	24.4	22.7	22.8	22.4	
Top Quintile	8,223	15.9	414,366	122,038	292,327	29.5	52.6	49.3	62.7	
All	51,871	100.0	124,878	30,881	93,996	24.7	100.0	100.0	100.0	
Addendum										
80-90	4,233	8.2	218,257	59,272	158,985	27.2	14.3	13.8	15.7	
90-95	1,995	3.9	310,516	87,936	222,580	28.3	9.6	9.1	11.0	
95-99	1,599	3.1	537,525	157,660	379,865	29.3	13.3	12.5	15.7	
Top 1 Percent	395	0.8	2,541,638	822,624	1,719,014	32.4	15.5	13.9	20.3	
Top 0.1 Percent	37	0.1	11,394,278	3,864,718	7,529,560	33.9	6.5	5.7	8.9	

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 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) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

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

(5) 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.

(6) 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 T09-0269
Replace Employer Sponsored Health Insurance Income and Payroll Tax Exclusion, with Refundable Credit
Credit Indexed by the Average Growth of CPI and Medical Expenses
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019 ¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	6.4	0.5	1.4	49.5	-179	-37.8	-0.1	0.2	-1.3	2.2
Second Quintile	5.8	0.5	0.5	71.7	-129	-10.3	-0.2	1.4	-0.4	3.7
Middle Quintile	6.0	2.1	0.2	47.3	-105	-4.4	-0.1	2.3	-0.2	4.5
Fourth Quintile	9.6	15.0	0.0	-4.1	12	0.1	0.0	10.4	0.0	14.0
Top Quintile	9.5	18.0	-0.1	-64.9	130	0.2	0.3	85.7	0.0	25.7
All	7.4	7.3	0.1	100.0	-47	-0.2	0.0	100.0	0.0	19.8
Addendum										
80-90	11.0	16.9	0.0	-10.5	44	0.2	0.1	16.0	0.0	20.1
90-95	8.2	18.7	-0.1	-20.0	158	0.3	0.1	13.9	0.1	23.1
95-99	8.0	20.0	-0.1	-28.6	265	0.3	0.1	22.7	0.1	26.3
Top 1 Percent	8.2	17.5	0.0	-5.7	215	0.0	0.1	33.1	0.0	30.7
Top 0.1 Percent	7.4	17.4	0.0	-0.7	259	0.0	0.0	16.4	0.0	33.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	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		
Lowest Quintile	4,854	13.1	13,609	474	13,135	3.5	1.7	2.0	0.3	
Second Quintile	9,716	26.2	30,144	1,258	28,886	4.2	7.4	8.9	1.6	
Middle Quintile	7,874	21.2	50,838	2,374	48,463	4.7	10.1	12.0	2.4	
Fourth Quintile	5,843	15.8	99,788	13,956	85,832	14.0	14.7	15.8	10.4	
Top Quintile	8,792	23.7	297,400	76,163	221,237	25.6	66.1	61.4	85.3	
All	37,096	100.0	106,595	21,157	85,438	19.9	100.0	100.0	100.0	
Addendum										
80-90	4,200	11.3	148,198	29,708	118,490	20.1	15.7	15.7	15.9	
90-95	2,229	6.0	211,967	48,800	163,167	23.0	12.0	11.5	13.9	
95-99	1,895	5.1	355,565	93,342	262,222	26.3	17.0	15.7	22.5	
Top 1 Percent	468	1.3	1,809,133	554,255	1,254,878	30.6	21.4	18.5	33.0	
Top 0.1 Percent	50	0.1	7,683,766	2,558,460	5,125,306	33.3	9.7	8.1	16.3	

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 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

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(6) 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.