

**Table T11-0086**  
**Eliminate all Individual Income Tax Expenditures**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	-7.9	3.0	931	141.3	0.6	1.4	7.5	12.8
Second Quintile	-7.5	6.0	2,091	53.4	0.5	4.7	6.6	19.0
Middle Quintile	-7.6	9.2	3,574	32.9	-0.3	10.1	6.2	25.1
Fourth Quintile	-9.3	15.4	7,149	31.5	-0.8	17.6	7.2	29.9
Top Quintile	-15.6	66.3	35,098	37.6	0.1	66.1	11.0	40.3
All	-12.1	100.0	7,828	37.5	0.0	100.0	9.1	33.6
<b>Addendum</b>								
80-90	-11.4	12.7	13,312	33.2	-0.4	13.8	8.5	34.1
90-95	-13.8	10.5	22,549	37.6	0.0	10.5	10.1	36.9
95-99	-15.4	16.3	43,543	38.4	0.1	16.0	11.0	39.7
Top 1 Percent	-20.2	26.8	279,740	39.5	0.4	25.7	13.4	47.2
Top 0.1 Percent	-24.5	14.2	1,456,381	41.9	0.4	13.1	15.5	52.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>6</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>4</sup> (Dollars)	Average Federal Tax Rate <sup>5</sup>	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	41,611	25.4	12,378	659	11,719	5.3	3.7	4.6	0.8
Second Quintile	36,634	22.3	31,691	3,916	27,775	12.4	8.3	9.6	4.2
Middle Quintile	33,094	20.2	57,583	10,862	46,721	18.9	13.6	14.6	10.5
Fourth Quintile	27,684	16.9	99,858	22,711	77,147	22.7	19.7	20.1	18.3
Top Quintile	24,239	14.8	318,674	93,393	225,281	29.3	55.0	51.5	66.1
All	163,952	100.0	85,596	20,900	64,696	24.4	100.0	100.0	100.0
<b>Addendum</b>									
80-90	12,202	7.4	156,402	40,096	116,306	25.6	13.6	13.4	14.3
90-95	5,998	3.7	223,929	59,994	163,935	26.8	9.6	9.3	10.5
95-99	4,810	2.9	395,693	113,354	282,339	28.6	13.6	12.8	15.9
Top 1 Percent	1,228	0.8	2,091,853	707,817	1,384,036	33.8	18.3	16.0	25.4
Top 0.1 Percent	125	0.1	9,410,020	3,475,992	5,934,028	36.9	8.4	7.0	12.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-7).

(1) Calendar year. Baseline is current law. Proposal repeals individual income tax expenditures including preferential rates on capital gains and qualified dividends; all itemized deductions except those for miscellaneous expenses above a 2%-of-AGI floor and casualty, theft and loss; exemption on all municipal bond interest; all above-the-line deductions except those for the self-employment tax, moving expenses, and alimony paid; and all tax credits except the foreign tax credit. Additionally, the proposal includes 85% of Social Security benefits in taxable income; repeals the AMT and the limitation on itemized deductions; taxes inside buildup in life insurance and annuities; repeals the foreign earned income exclusion; taxes unrealized capital gains at death; repeals the exclusion of capital gains on the sale of a primary residence; includes benefits under Section 125 cafeteria plans and Employer-Sponsored Insurance (ESI) benefits in taxable income for individual income tax purposes; eliminates contributions to tax-deferred retirement accounts; and taxes accruals in defined benefit pension plans and defined contribution plans.

(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% \$20,801; 40% \$40,054; 60% \$70,916; 80% \$122,764; 90% \$178,595; 95% \$252,189; 99% \$668,398; 99.9% \$3,077,636.

(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.

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