

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

Table T11-0014
Replace Mortgage Interest Deduction with a 20 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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	0.1	0.0	0.0	0.0	0	0.0	5.9
10-20	5.0	0.0	0.1	-0.8	-10	-0.1	5.1
20-30	13.2	0.0	0.2	-3.2	-46	-0.2	10.0
30-40	24.4	0.3	0.4	-6.0	-113	-0.3	14.3
40-50	30.5	2.3	0.4	-6.2	-149	-0.3	17.3
50-75	27.5	14.0	0.2	-5.7	-78	-0.1	20.0
75-100	14.8	34.6	-0.2	7.7	164	0.2	22.4
100-200	4.7	55.5	-0.6	49.2	659	0.5	25.7
200-500	0.2	61.0	-0.9	46.9	1,974	0.6	28.5
500-1,000	0.3	48.6	-0.6	12.2	3,140	0.4	30.0
More than 1,000	0.9	32.3	-0.1	5.8	2,851	0.1	34.9
All	13.4	16.6	-0.3	100.0	193	0.2	24.7

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

Number of AMT Taxpayers (millions). Baseline: 25.7

Proposal: 28.7

Note: Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

(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 T11-0014
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Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only

Baseline: Current Law

Distribution of Federal Tax Change by Cash Income Level, 2015 ¹

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	0.1	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	5.9
10-20	5.0	0.0	0.1	-0.8	-10	-1.2	0.0	0.6	-0.1	5.1
20-30	13.2	0.0	0.2	-3.2	-46	-1.7	0.0	1.7	-0.2	10.0
30-40	24.4	0.3	0.4	-6.0	-113	-2.1	-0.1	2.6	-0.3	14.3
40-50	30.5	2.3	0.4	-6.2	-149	-1.7	-0.1	3.2	-0.3	17.3
50-75	27.5	14.0	0.2	-5.7	-78	-0.6	-0.1	8.9	-0.1	20.0
75-100	14.8	34.6	-0.2	7.7	164	0.8	0.0	9.1	0.2	22.4
100-200	4.7	55.5	-0.6	49.2	659	1.8	0.2	26.0	0.5	25.7
200-500	0.2	61.0	-0.9	46.9	1,974	2.3	0.3	19.0	0.6	28.5
500-1,000	0.3	48.6	-0.6	12.2	3,140	1.4	0.0	7.8	0.4	30.0
More than 1,000	0.9	32.3	-0.1	5.8	2,851	0.3	-0.1	20.8	0.1	34.9
All	13.4	16.6	-0.3	100.0	193	0.9	0.0	100.0	0.2	24.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015 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	15,866	9.7	5,737	338	5,399	5.9	0.7	0.8	0.2
10-20	24,726	15.1	16,244	835	15,409	5.1	2.9	3.6	0.6
20-30	21,658	13.2	26,982	2,753	24,230	10.2	4.2	5.0	1.7
30-40	16,904	10.3	37,756	5,508	32,248	14.6	4.6	5.1	2.7
40-50	13,207	8.1	48,701	8,557	40,144	17.6	4.6	5.0	3.3
50-75	23,012	14.0	66,940	13,464	53,476	20.1	11.0	11.6	9.0
75-100	14,893	9.1	94,195	20,928	73,267	22.2	10.0	10.3	9.1
100-200	23,618	14.4	147,944	37,417	110,527	25.3	24.9	24.6	25.8
200-500	7,504	4.6	307,192	85,561	221,631	27.9	16.4	15.7	18.7
500-1,000	1,227	0.8	737,554	217,836	519,718	29.5	6.5	6.0	7.8
More than 1,000	647	0.4	3,192,870	1,110,372	2,082,498	34.8	14.7	12.7	20.9
All	163,952	100.0	85,596	20,909	64,687	24.4	100.0	100.0	100.0

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

Number of AMT Taxpayers (millions). Baseline: 25.7 Proposal: 28.7

Note: Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

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

Table T11-0014
Replace Mortgage Interest Deduction with a 20 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015 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	0.1	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	8.5
10-20	6.4	0.0	0.1	-5.8	-13	-0.9	0.0	2.5	-0.1	8.4
20-30	11.2	0.0	0.2	-12.7	-35	-1.0	-0.1	5.0	-0.1	13.0
30-40	19.2	0.1	0.2	-16.6	-68	-1.0	-0.1	6.4	-0.2	17.3
40-50	25.2	1.0	0.2	-16.3	-90	-0.9	-0.1	7.1	-0.2	20.3
50-75	18.7	17.3	-0.1	8.6	30	0.2	0.0	17.8	0.1	23.7
75-100	10.1	35.3	-0.4	30.4	239	1.0	0.1	12.6	0.3	26.7
100-200	3.9	40.0	-0.5	69.3	564	1.4	0.2	19.9	0.4	28.1
200-500	0.1	35.2	-0.5	30.4	1,031	1.1	0.1	10.8	0.3	29.5
500-1,000	0.0	27.8	-0.4	8.4	1,700	0.7	0.0	4.7	0.2	32.6
More than 1,000	1.0	19.0	-0.1	4.5	1,660	0.1	0.0	12.4	0.1	37.5
All	10.8	7.3	-0.1	100.0	46	0.4	0.0	100.0	0.1	23.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015 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	Percent of Total
Less than 10	11,469	15.7	5,758	491	5,267	8.5	1.8	2.2	0.7
10-20	15,679	21.4	16,121	1,368	14,754	8.5	7.1	8.4	2.6
20-30	12,148	16.6	26,870	3,521	23,349	13.1	9.1	10.4	5.1
30-40	8,238	11.3	37,654	6,592	31,063	17.5	8.7	9.3	6.5
40-50	6,093	8.3	48,644	9,957	38,687	20.5	8.3	8.6	7.2
50-75	9,580	13.1	66,220	15,651	50,570	23.6	17.7	17.7	17.9
75-100	4,284	5.9	93,094	24,582	68,512	26.4	11.1	10.7	12.5
100-200	4,144	5.7	144,387	40,003	104,384	27.7	16.7	15.8	19.7
200-500	994	1.4	308,993	90,149	218,844	29.2	8.6	7.9	10.7
500-1,000	166	0.2	726,397	235,170	491,227	32.4	3.4	3.0	4.7
More than 1,000	91	0.1	3,067,902	1,148,977	1,918,925	37.5	7.8	6.4	12.5
All	73,231	100.0	48,892	11,473	37,419	23.5	100.0	100.0	100.0

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

Note: Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

Table T11-0014
Replace Mortgage Interest Deduction with a 20 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015 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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	6.6
10-20	1.6	0.0	0.0	0.0	-3	-0.5	0.0	0.1	0.0	3.6
20-30	17.9	0.0	0.3	-1.3	-76	-3.8	0.0	0.4	-0.3	7.0
30-40	28.6	0.6	0.5	-2.7	-170	-4.4	0.0	0.7	-0.5	9.8
40-50	36.0	1.8	0.6	-3.4	-234	-3.7	-0.1	1.0	-0.5	12.4
50-75	38.4	6.5	0.4	-7.6	-229	-2.1	-0.1	4.1	-0.3	15.8
75-100	18.6	31.9	-0.1	2.8	86	0.5	-0.1	7.0	0.1	19.9
100-200	5.0	58.9	-0.6	44.5	667	1.8	0.2	29.0	0.5	25.1
200-500	0.3	65.3	-1.0	49.0	2,111	2.5	0.3	23.4	0.7	28.3
500-1,000	0.4	52.2	-0.7	12.8	3,404	1.6	0.0	9.5	0.5	29.6
More than 1,000	0.9	35.0	-0.2	6.0	3,075	0.3	-0.2	24.6	0.1	34.4
All	15.3	30.4	-0.4	100.0	435	1.2	0.0	100.0	0.3	25.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015 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	Percent of Total
Less than 10	2,060	3.3	4,792	315	4,477	6.6	0.1	0.1	0.0
10-20	3,558	5.7	16,842	615	16,227	3.7	0.7	0.9	0.1
20-30	4,571	7.4	27,168	1,977	25,191	7.3	1.4	1.7	0.4
30-40	4,291	6.9	37,909	3,879	34,030	10.2	1.8	2.2	0.7
40-50	3,967	6.4	48,817	6,287	42,530	12.9	2.2	2.5	1.1
50-75	8,948	14.4	67,956	10,979	56,977	16.2	6.8	7.6	4.3
75-100	8,607	13.9	94,924	18,843	76,081	19.9	9.1	9.8	7.0
100-200	18,038	29.0	149,444	36,891	112,553	24.7	30.0	30.3	28.9
200-500	6,273	10.1	306,699	84,807	221,892	27.7	21.4	20.8	23.1
500-1,000	1,018	1.6	739,899	215,476	524,423	29.1	8.4	8.0	9.5
More than 1,000	530	0.9	3,153,293	1,080,797	2,072,495	34.3	18.6	16.4	24.9
All	62,127	100.0	144,829	37,127	107,702	25.6	100.0	100.0	100.0

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

Note: Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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

(4) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

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

Table T11-0014
Replace Mortgage Interest Deduction with a 20 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.5	0.0	-6.9
10-20	1.8	0.0	0.0	-2.9	-4	0.5	0.0	-1.7	0.0	-4.3
20-30	11.5	0.0	0.2	-30.2	-42	-3.2	-0.1	2.8	-0.2	4.8
30-40	28.6	0.5	0.4	-89.7	-141	-2.9	-0.3	9.0	-0.4	12.5
40-50	33.7	3.6	0.4	-74.7	-174	-2.1	-0.3	10.5	-0.4	16.8
50-75	25.1	20.1	0.1	-21.0	-34	-0.3	-0.1	24.8	-0.1	20.2
75-100	8.4	43.8	-0.4	73.8	281	1.3	0.2	17.2	0.3	23.5
100-200	2.2	58.5	-0.8	156.7	817	2.3	0.4	21.0	0.6	26.4
200-500	0.5	59.1	-1.1	69.8	2,452	3.0	0.2	7.3	0.8	27.6
500-1,000	0.0	49.2	-0.5	12.0	2,479	1.3	0.0	2.9	0.3	27.8
More than 1,000	1.6	30.0	-0.2	6.2	2,960	0.3	0.0	6.7	0.1	35.4
All	14.9	9.6	-0.1	100.0	25	0.3	0.0	100.0	0.1	17.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015¹

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	Percent of Total
Less than 10	2,214	8.5	6,521	-452	6,972	-6.9	1.2	1.5	-0.5
10-20	5,235	20.0	16,206	-692	16,898	-4.3	6.9	8.8	-1.7
20-30	4,634	17.7	27,054	1,329	25,725	4.9	10.2	11.8	2.9
30-40	4,091	15.7	37,746	4,861	32,884	12.9	12.6	13.3	9.3
40-50	2,761	10.6	48,622	8,340	40,282	17.2	11.0	11.0	10.7
50-75	3,985	15.3	66,274	13,407	52,867	20.2	21.6	20.9	24.9
75-100	1,688	6.5	93,241	21,629	71,612	23.2	12.9	12.0	17.0
100-200	1,232	4.7	139,028	35,902	103,126	25.8	14.0	12.6	20.6
200-500	183	0.7	309,851	83,202	226,649	26.9	4.6	4.1	7.1
500-1,000	31	0.1	719,019	197,316	521,704	27.4	1.8	1.6	2.9
More than 1,000	14	0.1	2,995,273	1,057,505	1,937,768	35.3	3.3	2.6	6.7
All	26,118	100.0	46,858	8,208	38,650	17.5	100.0	100.0	100.0

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

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Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only

Baseline: Current Law

Distribution of Federal Tax Change by Cash Income Level, 2015 ¹

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	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.1	0.0	-10.9
10-20	0.9	0.0	0.0	0.0	-1	0.1	0.0	-0.5	0.0	-8.0
20-30	8.6	0.0	0.1	-0.7	-28	-2.9	0.0	0.4	-0.1	3.5
30-40	26.4	0.9	0.4	-2.8	-124	-2.7	-0.1	1.6	-0.3	11.8
40-50	34.8	4.7	0.5	-3.6	-199	-2.5	-0.1	2.3	-0.4	16.2
50-75	30.2	17.9	0.2	-3.4	-99	-0.8	-0.2	6.9	-0.2	19.1
75-100	8.8	51.3	-0.4	8.1	317	1.5	0.0	8.6	0.3	22.3
100-200	2.1	71.8	-0.8	42.6	900	2.4	0.2	29.1	0.6	26.1
200-500	0.2	78.0	-1.3	43.7	2,749	3.2	0.3	22.6	0.9	29.3
500-1,000	0.2	65.5	-0.9	11.2	4,657	2.1	0.0	8.8	0.6	31.2
More than 1,000	0.9	43.8	-0.2	5.0	4,359	0.4	-0.3	20.3	0.1	35.8
All	12.3	30.0	-0.5	100.0	436	1.6	0.0	100.0	0.4	25.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015 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	2,574	5.1	6,243	-679	6,922	-10.9	0.3	0.4	-0.1
10-20	5,365	10.7	16,408	-1,318	17,726	-8.0	1.6	2.3	-0.5
20-30	5,534	11.1	27,039	960	26,079	3.6	2.8	3.6	0.4
30-40	4,955	9.9	37,825	4,588	33,237	12.1	3.5	4.1	1.7
40-50	3,934	7.9	48,736	8,105	40,632	16.6	3.5	3.9	2.4
50-75	7,427	14.8	67,323	12,948	54,375	19.2	9.2	10.0	7.1
75-100	5,589	11.2	94,752	20,802	73,950	22.0	9.8	10.2	8.6
100-200	10,335	20.6	148,467	37,885	110,582	25.5	28.3	28.2	28.9
200-500	3,472	6.9	305,913	86,859	219,054	28.4	19.6	18.7	22.3
500-1,000	523	1.0	738,730	226,119	512,610	30.6	7.1	6.6	8.7
More than 1,000	249	0.5	3,141,398	1,121,293	2,020,105	35.7	14.4	12.4	20.6
All	50,095	100.0	108,069	27,056	81,013	25.0	100.0	100.0	100.0

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

Note: Tax units with children are those claiming an exemption for children at home or away from home. Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

(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 T11-0014
Replace Mortgage Interest Deduction with a 20 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000 on Primary Residences Only

Baseline: Current Law

Distribution of Federal Tax Change by Cash Income Level, 2015 ¹

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	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	3.4
10-20	3.3	0.0	0.0	89.6	-7	-1.7	0.0	0.5	0.0	2.4
20-30	11.5	0.0	0.1	387.8	-35	-3.0	0.0	1.2	-0.1	4.3
30-40	20.2	0.1	0.3	656.9	-94	-3.8	-0.1	1.5	-0.3	6.3
40-50	22.2	0.2	0.2	369.2	-82	-2.0	0.0	1.7	-0.2	8.2
50-75	28.5	1.9	0.2	918.4	-121	-1.6	-0.1	5.3	-0.2	11.2
75-100	21.9	9.0	0.1	439.2	-82	-0.6	0.0	7.3	-0.1	15.8
100-200	8.1	19.2	-0.1	-967.9	140	0.5	0.1	20.0	0.1	21.0
200-500	0.2	20.7	-0.2	-1,150.3	461	0.6	0.1	19.2	0.2	26.5
500-1,000	0.6	17.4	-0.1	-341.2	675	0.3	0.0	10.2	0.1	29.3
More than 1,000	0.7	15.6	-0.1	-301.7	990	0.1	0.0	32.9	0.0	35.5
All	12.8	4.2	0.0	100.0	-2	0.0	0.0	100.0	0.0	20.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Level, 2015 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 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	2,100	6.3	6,178	211	5,966	3.4	0.5	0.6	0.1
10-20	6,834	20.6	16,593	409	16,185	2.5	4.1	5.0	0.5
20-30	5,901	17.8	26,757	1,184	25,573	4.4	5.7	6.9	1.2
30-40	3,706	11.2	37,624	2,457	35,167	6.5	5.0	5.9	1.6
40-50	2,376	7.2	48,711	4,064	44,647	8.3	4.2	4.8	1.7
50-75	4,043	12.2	67,491	7,659	59,832	11.4	9.9	11.0	5.4
75-100	2,829	8.5	93,810	14,926	78,883	15.9	9.6	10.2	7.4
100-200	3,682	11.1	148,269	30,984	117,285	20.9	19.7	19.7	20.0
200-500	1,324	4.0	313,263	82,397	230,866	26.3	15.0	13.9	19.1
500-1,000	268	0.8	741,450	216,456	524,994	29.2	7.2	6.4	10.2
More than 1,000	162	0.5	3,283,256	1,163,173	2,120,082	35.4	19.2	15.6	32.9
All	33,251	100.0	83,172	17,199	65,974	20.7	100.0	100.0	100.0

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

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older. Estimates assume that individuals pay down their mortgage in response to a smaller tax benefit for mortgage interest.

(1) Calendar year. Baseline is current law. Proposal: replaces the mortgage interest deduction with a 20 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000 on primary residences only. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 20 percent credit is designed to raise \$30 billion relative to current law.

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