

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

Table T11-0078
Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
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	-0.4	-8	-0.1	5.1
20-30	12.9	0.0	0.1	-1.6	-35	-0.1	10.1
30-40	23.2	0.3	0.3	-2.8	-81	-0.2	14.4
40-50	28.0	3.1	0.2	-2.6	-95	-0.2	17.4
50-75	23.5	17.1	-0.1	1.5	32	0.1	20.2
75-100	12.3	38.0	-0.5	11.0	359	0.4	22.7
100-200	4.0	57.3	-0.9	46.6	956	0.7	26.0
200-500	0.2	61.6	-1.0	35.3	2,282	0.7	28.7
500-1,000	0.3	49.2	-0.7	8.8	3,478	0.5	30.2
More than 1,000	0.8	33.1	-0.2	4.2	3,114	0.1	35.1
All	12.1	17.7	-0.5	100.0	296	0.4	24.8

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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 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 T11-0078
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Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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	-0.4	-8	-1.0	0.0	0.6	-0.1	5.1
20-30	12.9	0.0	0.1	-1.6	-35	-1.3	-0.1	1.7	-0.1	10.1
30-40	23.2	0.3	0.3	-2.8	-81	-1.5	-0.1	2.6	-0.2	14.4
40-50	28.0	3.1	0.2	-2.6	-95	-1.1	-0.1	3.2	-0.2	17.4
50-75	23.5	17.1	-0.1	1.5	32	0.2	-0.1	8.9	0.1	20.2
75-100	12.3	38.0	-0.5	11.0	359	1.7	0.0	9.1	0.4	22.7
100-200	4.0	57.3	-0.9	46.6	956	2.6	0.3	26.0	0.7	26.0
200-500	0.2	61.6	-1.0	35.3	2,282	2.7	0.2	19.0	0.7	28.7
500-1,000	0.3	49.2	-0.7	8.8	3,478	1.6	0.0	7.8	0.5	30.2
More than 1,000	0.8	33.1	-0.2	4.2	3,114	0.3	-0.2	20.8	0.1	35.1
All	12.1	17.7	-0.5	100.0	296	1.4	0.0	100.0	0.4	24.8

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	15,866	9.7	5,737	339	5,398	5.9	0.7	0.8	0.2
10-20	24,726	15.1	16,244	838	15,406	5.2	2.9	3.6	0.6
20-30	21,658	13.2	26,982	2,755	24,227	10.2	4.2	5.0	1.7
30-40	16,904	10.3	37,756	5,509	32,247	14.6	4.6	5.1	2.7
40-50	13,207	8.1	48,701	8,575	40,126	17.6	4.6	5.0	3.3
50-75	23,012	14.0	66,940	13,484	53,456	20.1	11.0	11.6	9.0
75-100	14,893	9.1	94,195	20,978	73,217	22.3	10.0	10.3	9.1
100-200	23,618	14.4	147,944	37,476	110,468	25.3	24.9	24.6	25.7
200-500	7,504	4.6	307,192	85,786	221,406	27.9	16.4	15.7	18.7
500-1,000	1,227	0.8	737,554	218,926	518,627	29.7	6.5	6.0	7.8
More than 1,000	647	0.4	3,192,870	1,116,385	2,076,485	35.0	14.7	12.7	21.0
All	163,952	100.0	85,596	20,970	64,626	24.5	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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 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 T11-0078
Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
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	-2.3	-10	-0.7	0.0	2.5	-0.1	8.5
20-30	10.8	0.0	0.1	-4.5	-25	-0.7	-0.1	5.0	-0.1	13.0
30-40	17.8	0.0	0.1	-5.5	-45	-0.7	-0.1	6.3	-0.1	17.4
40-50	22.5	2.2	0.1	-4.4	-49	-0.5	-0.1	7.1	-0.1	20.5
50-75	16.7	21.1	-0.3	18.3	128	0.8	0.0	17.7	0.2	23.9
75-100	9.5	36.8	-0.6	25.6	401	1.6	0.1	12.6	0.4	27.0
100-200	3.7	40.7	-0.8	47.9	776	1.9	0.2	19.9	0.5	28.5
200-500	0.0	35.7	-0.6	17.9	1,207	1.3	0.1	10.8	0.4	30.0
500-1,000	0.0	28.4	-0.4	4.6	1,861	0.8	0.0	4.8	0.3	33.6
More than 1,000	0.9	19.4	-0.1	2.5	1,817	0.2	-0.1	12.6	0.1	38.6
All	10.0	8.0	-0.3	100.0	92	0.8	0.0	100.0	0.2	23.9

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	
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	1,372	14,750	8.5	7.1	8.5	2.5
20-30	12,148	16.6	26,870	3,525	23,345	13.1	9.1	10.4	5.1
30-40	8,238	11.3	37,654	6,594	31,060	17.5	8.7	9.4	6.4
40-50	6,093	8.3	48,644	9,994	38,650	20.6	8.3	8.6	7.2
50-75	9,580	13.1	66,220	15,696	50,524	23.7	17.7	17.7	17.7
75-100	4,284	5.9	93,094	24,745	68,349	26.6	11.1	10.7	12.5
100-200	4,144	5.7	144,387	40,309	104,078	27.9	16.7	15.8	19.7
200-500	994	1.4	308,993	91,606	217,387	29.7	8.6	7.9	10.7
500-1,000	166	0.2	726,397	242,341	484,056	33.4	3.4	3.0	4.8
More than 1,000	91	0.1	3,067,902	1,181,299	1,886,603	38.5	7.8	6.3	12.7
All	73,231	100.0	48,892	11,587	37,305	23.7	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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 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 T11-0078
Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
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	17.7	0.0	0.2	-0.7	-61	-3.1	0.0	0.4	-0.2	7.1
30-40	27.8	0.4	0.4	-1.4	-129	-3.3	0.0	0.7	-0.3	9.9
40-50	34.9	1.6	0.4	-1.8	-174	-2.8	-0.1	1.0	-0.4	12.5
50-75	33.4	7.9	0.2	-2.8	-120	-1.1	-0.1	4.1	-0.2	16.0
75-100	15.0	36.5	-0.4	6.5	289	1.5	0.0	7.0	0.3	20.2
100-200	4.3	61.0	-0.9	46.0	983	2.7	0.3	29.1	0.7	25.4
200-500	0.3	65.9	-1.1	39.7	2,439	2.9	0.3	23.3	0.8	28.5
500-1,000	0.4	52.9	-0.7	10.0	3,773	1.8	0.0	9.5	0.5	29.7
More than 1,000	0.8	35.7	-0.2	4.6	3,358	0.3	-0.3	24.6	0.1	34.4
All	13.7	31.9	-0.6	100.0	620	1.7	0.0	100.0	0.4	26.1

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	
Less than 10	2,060	3.3	4,792	316	4,477	6.6	0.1	0.1	0.0
10-20	3,558	5.7	16,842	616	16,226	3.7	0.7	0.9	0.1
20-30	4,571	7.4	27,168	1,981	25,187	7.3	1.4	1.7	0.4
30-40	4,291	6.9	37,909	3,880	34,029	10.2	1.8	2.2	0.7
40-50	3,967	6.4	48,817	6,289	42,528	12.9	2.2	2.5	1.1
50-75	8,948	14.4	67,956	10,981	56,974	16.2	6.8	7.6	4.3
75-100	8,607	13.9	94,924	18,846	76,078	19.9	9.1	9.8	7.0
100-200	18,038	29.0	149,444	36,896	112,548	24.7	30.0	30.4	28.8
200-500	6,273	10.1	306,699	84,838	221,862	27.7	21.4	20.8	23.1
500-1,000	1,018	1.6	739,899	215,605	524,294	29.1	8.4	8.0	9.5
More than 1,000	530	0.9	3,153,293	1,082,351	2,070,942	34.3	18.6	16.4	24.9
All	62,127	100.0	144,829	37,148	107,680	25.7	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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 billion relative to current law.

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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 T11-0078
Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015 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	0.0	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	-0.7	-3	0.5	0.0	-1.7	0.0	-4.3
20-30	11.2	0.0	0.1	-6.5	-33	-2.5	-0.1	2.8	-0.1	4.8
30-40	27.8	0.5	0.3	-18.0	-105	-2.2	-0.3	9.0	-0.3	12.6
40-50	30.2	4.1	0.3	-12.8	-110	-1.3	-0.3	10.5	-0.2	16.9
50-75	18.1	25.3	-0.2	16.4	98	0.7	-0.1	24.8	0.2	20.4
75-100	6.9	45.6	-0.7	35.8	505	2.3	0.2	17.2	0.5	23.8
100-200	1.6	59.7	-1.1	58.7	1,133	3.2	0.4	21.1	0.8	26.7
200-500	0.3	59.7	-1.2	21.6	2,811	3.4	0.2	7.3	0.9	27.8
500-1,000	0.0	49.5	-0.5	3.6	2,771	1.4	0.0	2.9	0.4	27.9
More than 1,000	1.1	32.6	-0.2	1.8	3,206	0.3	-0.1	6.6	0.1	35.6
All	13.2	10.6	-0.2	100.0	91	1.1	0.0	100.0	0.2	17.7

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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	2,214	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	25,724	4.9	10.2	11.8	2.9
30-40	4,091	15.7	37,746	4,862	32,884	12.9	12.6	13.3	9.3
40-50	2,761	10.6	48,622	8,341	40,280	17.2	11.0	11.0	10.7
50-75	3,985	15.3	66,274	13,409	52,865	20.2	21.6	20.9	24.9
75-100	1,688	6.5	93,241	21,638	71,603	23.2	12.9	12.0	17.0
100-200	1,232	4.7	139,028	35,921	103,107	25.8	14.0	12.6	20.6
200-500	183	0.7	309,851	83,419	226,432	26.9	4.6	4.1	7.1
500-1,000	31	0.1	719,019	197,666	521,353	27.5	1.8	1.6	2.9
More than 1,000	14	0.1	2,995,273	1,063,541	1,931,731	35.5	3.3	2.6	6.7
All	26,118	100.0	46,858	8,215	38,643	17.5	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

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Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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	8.4	0.0	0.1	-0.4	-23	-2.4	0.0	0.4	-0.1	3.5
30-40	25.6	1.0	0.3	-1.5	-93	-2.0	-0.1	1.6	-0.3	11.9
40-50	32.3	5.0	0.3	-1.7	-134	-1.7	-0.1	2.3	-0.3	16.4
50-75	22.8	22.2	-0.1	1.0	42	0.3	-0.1	7.0	0.1	19.3
75-100	5.5	55.2	-0.8	10.8	593	2.9	0.1	8.6	0.6	22.6
100-200	1.6	72.9	-1.2	43.5	1,293	3.4	0.3	29.2	0.9	26.4
200-500	0.2	78.3	-1.5	35.8	3,170	3.7	0.3	22.6	1.0	29.4
500-1,000	0.2	66.2	-1.0	8.8	5,141	2.3	0.0	8.7	0.7	31.3
More than 1,000	0.8	44.6	-0.2	3.8	4,748	0.4	-0.4	20.2	0.2	35.9
All	10.5	31.3	-0.8	100.0	614	2.3	0.0	100.0	0.6	25.6

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	2,574	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	961	26,078	3.6	2.8	3.6	0.4
30-40	4,955	9.9	37,825	4,589	33,237	12.1	3.5	4.1	1.7
40-50	3,934	7.9	48,736	8,106	40,631	16.6	3.5	3.9	2.4
50-75	7,427	14.8	67,323	12,949	54,374	19.2	9.2	10.0	7.1
75-100	5,589	11.2	94,752	20,805	73,947	22.0	9.8	10.2	8.6
100-200	10,335	20.6	148,467	37,887	110,580	25.5	28.3	28.2	28.9
200-500	3,472	6.9	305,913	86,874	219,039	28.4	19.6	18.7	22.3
500-1,000	523	1.0	738,730	226,179	512,551	30.6	7.1	6.6	8.7
More than 1,000	249	0.5	3,141,398	1,121,885	2,019,513	35.7	14.4	12.4	20.6
All	50,095	100.0	108,069	27,062	81,007	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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 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 T11-0078
Replace Mortgage Interest Deduction with a 15 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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	-3.6	-5	-1.3	0.0	0.5	0.0	2.5
20-30	11.5	0.0	0.1	-15.9	-27	-2.3	0.0	1.2	-0.1	4.4
30-40	19.8	0.0	0.2	-26.0	-72	-2.9	-0.1	1.5	-0.2	6.4
40-50	21.7	0.3	0.1	-14.6	-63	-1.5	0.0	1.7	-0.1	8.4
50-75	27.1	2.6	0.1	-29.6	-75	-1.0	-0.1	5.4	-0.1	11.4
75-100	20.4	10.6	0.0	-2.9	-10	-0.1	0.0	7.4	0.0	16.2
100-200	7.7	20.8	-0.2	85.0	236	0.8	0.1	20.0	0.2	21.3
200-500	0.3	21.0	-0.2	70.6	544	0.7	0.1	19.2	0.2	26.8
500-1,000	0.6	17.9	-0.2	19.9	756	0.3	0.0	10.2	0.1	29.8
More than 1,000	0.6	16.2	-0.1	17.2	1,084	0.1	0.0	32.9	0.0	36.0
All	12.4	4.6	-0.1	100.0	31	0.2	0.0	100.0	0.0	21.0

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	2,100	6.3	6,178	213	5,965	3.4	0.5	0.6	0.1
10-20	6,834	20.6	16,593	418	16,176	2.5	4.1	5.1	0.5
20-30	5,901	17.8	26,757	1,192	25,565	4.5	5.7	6.9	1.2
30-40	3,706	11.2	37,624	2,461	35,162	6.5	5.0	6.0	1.6
40-50	2,376	7.2	48,711	4,151	44,560	8.5	4.2	4.8	1.7
50-75	4,043	12.2	67,491	7,761	59,730	11.5	9.9	11.1	5.4
75-100	2,829	8.5	93,810	15,175	78,635	16.2	9.6	10.2	7.4
100-200	3,682	11.1	148,269	31,331	116,938	21.1	19.7	19.7	19.9
200-500	1,324	4.0	313,263	83,511	229,752	26.7	15.0	13.9	19.1
500-1,000	268	0.8	741,450	220,378	521,072	29.7	7.2	6.4	10.2
More than 1,000	162	0.5	3,283,256	1,182,207	2,101,048	36.0	19.2	15.5	32.9
All	33,251	100.0	83,172	17,450	65,722	21.0	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 15 percent non-refundable credit; and limits mortgages eligible for the credit to \$500,000. We approximate the \$500,000 limit on mortgages with a limit on mortgage interest eligible for the credit of \$25,000. The 15 percent non-refundable credit raises \$48.5 billion relative to current law.

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(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.