

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

Table T11-0084
Replace Mortgage Interest Deduction with a 12 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
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 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 3.3 |
| 10-20 | 4.5 | 0.0 | 0.0 | -0.3 | -5 | 0.0 | 2.7 |
| 20-30 | 10.4 | 1.0 | 0.1 | -0.9 | -18 | -0.1 | 7.1 |
| 30-40 | 18.5 | 3.5 | 0.1 | -1.4 | -39 | -0.1 | 11.5 |
| 40-50 | 23.9 | 8.1 | 0.1 | -1.1 | -39 | -0.1 | 14.6 |
| 50-75 | 24.7 | 18.8 | -0.1 | 1.9 | 38 | 0.1 | 17.3 |
| 75-100 | 19.4 | 29.6 | -0.2 | 5.7 | 175 | 0.2 | 19.0 |
| 100-200 | 5.4 | 54.5 | -0.7 | 43.3 | 838 | 0.6 | 21.9 |
| 200-500 | 0.1 | 62.1 | -1.1 | 40.8 | 2,491 | 0.8 | 24.6 |
| 500-1,000 | 0.1 | 50.2 | -0.5 | 7.9 | 2,939 | 0.4 | 25.7 |
| More than 1,000 | 0.0 | 35.0 | -0.1 | 4.1 | 2,899 | 0.1 | 29.0 |
| All | 11.9 | 17.7 | -0.4 | 100.0 | 279 | 0.3 | 20.8 |

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

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.8

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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

(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 T11-0084
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Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
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 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.1 | 0.0 | 3.3 |
| 10-20 | 4.5 | 0.0 | 0.0 | -0.3 | -5 | -1.2 | 0.0 | 0.4 | 0.0 | 2.7 |
| 20-30 | 10.4 | 1.0 | 0.1 | -0.9 | -18 | -0.9 | 0.0 | 1.4 | -0.1 | 7.1 |
| 30-40 | 18.5 | 3.5 | 0.1 | -1.4 | -39 | -0.9 | -0.1 | 2.5 | -0.1 | 11.5 |
| 40-50 | 23.9 | 8.1 | 0.1 | -1.1 | -39 | -0.5 | -0.1 | 3.2 | -0.1 | 14.6 |
| 50-75 | 24.7 | 18.8 | -0.1 | 1.9 | 38 | 0.3 | -0.1 | 9.1 | 0.1 | 17.3 |
| 75-100 | 19.4 | 29.6 | -0.2 | 5.7 | 175 | 1.0 | -0.1 | 9.1 | 0.2 | 19.0 |
| 100-200 | 5.4 | 54.5 | -0.7 | 43.3 | 838 | 2.7 | 0.3 | 26.2 | 0.6 | 21.9 |
| 200-500 | 0.1 | 62.1 | -1.1 | 40.8 | 2,491 | 3.4 | 0.3 | 19.4 | 0.8 | 24.6 |
| 500-1,000 | 0.1 | 50.2 | -0.5 | 7.9 | 2,939 | 1.6 | 0.0 | 8.0 | 0.4 | 25.7 |
| More than 1,000 | 0.0 | 35.0 | -0.1 | 4.1 | 2,899 | 0.3 | -0.3 | 20.5 | 0.1 | 29.0 |
| All | 11.9 | 17.7 | -0.4 | 100.0 | 279 | 1.6 | 0.0 | 100.0 | 0.3 | 20.8 |

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 | 189 | 5,548 | 3.3 | 0.7 | 0.8 | 0.1 |
| 10-20 | 24,726 | 15.1 | 16,244 | 441 | 15,803 | 2.7 | 2.9 | 3.5 | 0.4 |
| 20-30 | 21,658 | 13.2 | 26,982 | 1,939 | 25,044 | 7.2 | 4.2 | 4.9 | 1.5 |
| 30-40 | 16,904 | 10.3 | 37,756 | 4,362 | 33,394 | 11.6 | 4.6 | 5.1 | 2.6 |
| 40-50 | 13,207 | 8.1 | 48,701 | 7,136 | 41,566 | 14.7 | 4.6 | 4.9 | 3.3 |
| 50-75 | 23,012 | 14.0 | 66,940 | 11,513 | 55,426 | 17.2 | 11.0 | 11.4 | 9.2 |
| 75-100 | 14,893 | 9.1 | 94,195 | 17,697 | 76,497 | 18.8 | 10.0 | 10.2 | 9.2 |
| 100-200 | 23,618 | 14.4 | 147,944 | 31,529 | 116,415 | 21.3 | 24.9 | 24.6 | 25.9 |
| 200-500 | 7,504 | 4.6 | 307,192 | 73,153 | 234,039 | 23.8 | 16.4 | 15.7 | 19.1 |
| 500-1,000 | 1,227 | 0.8 | 737,554 | 186,518 | 551,036 | 25.3 | 6.5 | 6.1 | 8.0 |
| More than 1,000 | 647 | 0.4 | 3,192,870 | 921,571 | 2,271,300 | 28.9 | 14.7 | 13.2 | 20.7 |
| All | 163,952 | 100.0 | 85,596 | 17,529 | 68,067 | 20.5 | 100.0 | 100.0 | 100.0 |

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

Number of AMT Taxpayers (millions). Baseline: 6.1

Proposal: 6.8

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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

(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.

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Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.6 | 0.0 | 6.7 |
| 10-20 | 6.1 | 0.0 | 0.0 | -1.4 | -7 | -0.6 | 0.0 | 2.4 | 0.0 | 6.9 |
| 20-30 | 10.2 | 0.9 | 0.1 | -2.6 | -17 | -0.6 | -0.1 | 5.0 | -0.1 | 11.1 |
| 30-40 | 16.6 | 3.6 | 0.1 | -2.6 | -24 | -0.4 | -0.1 | 6.6 | -0.1 | 15.4 |
| 40-50 | 20.7 | 8.9 | 0.0 | -1.2 | -15 | -0.2 | -0.1 | 7.4 | 0.0 | 18.2 |
| 50-75 | 15.9 | 23.9 | -0.3 | 19.2 | 157 | 1.1 | 0.0 | 18.6 | 0.2 | 21.3 |
| 75-100 | 9.2 | 37.8 | -0.6 | 23.5 | 430 | 2.0 | 0.1 | 12.9 | 0.5 | 23.5 |
| 100-200 | 3.4 | 42.2 | -0.7 | 42.8 | 810 | 2.4 | 0.3 | 20.0 | 0.6 | 24.3 |
| 200-500 | 0.0 | 36.0 | -0.6 | 16.8 | 1,328 | 1.8 | 0.1 | 10.3 | 0.4 | 24.4 |
| 500-1,000 | 0.0 | 29.4 | -0.3 | 3.4 | 1,616 | 0.9 | 0.0 | 4.3 | 0.2 | 25.9 |
| More than 1,000 | 0.0 | 21.4 | -0.1 | 2.0 | 1,750 | 0.2 | -0.1 | 11.8 | 0.1 | 30.6 |
| All | 9.4 | 9.6 | -0.3 | 100.0 | 107 | 1.1 | 0.0 | 100.0 | 0.2 | 20.3 |

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 | 383 | 5,375 | 6.7 | 1.8 | 2.2 | 0.6 |
| 10-20 | 15,679 | 21.4 | 16,121 | 1,116 | 15,005 | 6.9 | 7.1 | 8.2 | 2.4 |
| 20-30 | 12,148 | 16.6 | 26,870 | 3,009 | 23,861 | 11.2 | 9.1 | 10.1 | 5.1 |
| 30-40 | 8,238 | 11.3 | 37,654 | 5,839 | 31,815 | 15.5 | 8.7 | 9.2 | 6.7 |
| 40-50 | 6,093 | 8.3 | 48,644 | 8,885 | 39,759 | 18.3 | 8.3 | 8.5 | 7.5 |
| 50-75 | 9,580 | 13.1 | 66,220 | 13,976 | 52,244 | 21.1 | 17.7 | 17.5 | 18.6 |
| 75-100 | 4,284 | 5.9 | 93,094 | 21,420 | 71,674 | 23.0 | 11.1 | 10.7 | 12.8 |
| 100-200 | 4,144 | 5.7 | 144,387 | 34,333 | 110,055 | 23.8 | 16.7 | 15.9 | 19.8 |
| 200-500 | 994 | 1.4 | 308,993 | 74,054 | 234,938 | 24.0 | 8.6 | 8.2 | 10.2 |
| 500-1,000 | 166 | 0.2 | 726,397 | 186,265 | 540,132 | 25.6 | 3.4 | 3.1 | 4.3 |
| More than 1,000 | 91 | 0.1 | 3,067,902 | 936,704 | 2,131,198 | 30.5 | 7.8 | 6.8 | 11.9 |
| All | 73,231 | 100.0 | 48,892 | 9,822 | 39,069 | 20.1 | 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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

(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.

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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 T11-0084
Replace Mortgage Interest Deduction with a 12 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Level, 2015¹
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 | 3.7 |
| 10-20 | 0.1 | 0.0 | 0.0 | 0.0 | 0 | -0.2 | 0.0 | 0.0 | 0.0 | 1.2 |
| 20-30 | 12.8 | 0.4 | 0.1 | -0.4 | -30 | -3.3 | 0.0 | 0.2 | -0.1 | 3.3 |
| 30-40 | 21.4 | 2.4 | 0.2 | -0.9 | -71 | -2.9 | 0.0 | 0.5 | -0.2 | 6.3 |
| 40-50 | 25.3 | 5.2 | 0.2 | -0.9 | -78 | -1.7 | 0.0 | 0.9 | -0.2 | 9.4 |
| 50-75 | 33.4 | 11.8 | 0.1 | -2.2 | -85 | -1.0 | -0.1 | 4.1 | -0.1 | 13.1 |
| 75-100 | 26.5 | 22.5 | 0.0 | -0.4 | -18 | -0.1 | -0.1 | 6.8 | 0.0 | 16.5 |
| 100-200 | 6.1 | 57.1 | -0.7 | 42.6 | 818 | 2.7 | 0.2 | 29.0 | 0.6 | 21.2 |
| 200-500 | 0.1 | 66.5 | -1.1 | 48.1 | 2,654 | 3.6 | 0.4 | 24.1 | 0.9 | 24.6 |
| 500-1,000 | 0.1 | 53.8 | -0.6 | 9.4 | 3,181 | 1.7 | 0.0 | 9.8 | 0.4 | 25.7 |
| More than 1,000 | 0.0 | 37.6 | -0.1 | 4.8 | 3,109 | 0.4 | -0.4 | 24.3 | 0.1 | 28.6 |
| All | 14.3 | 29.8 | -0.5 | 100.0 | 557 | 1.8 | 0.0 | 100.0 | 0.4 | 21.9 |

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 | Percent of Total |
| Less than 10 | 2,060 | 3.3 | 4,792 | 176 | 4,617 | 3.7 | 0.1 | 0.1 | 0.0 |
| 10-20 | 3,558 | 5.7 | 16,842 | 201 | 16,641 | 1.2 | 0.7 | 0.8 | 0.0 |
| 20-30 | 4,571 | 7.4 | 27,168 | 927 | 26,242 | 3.4 | 1.4 | 1.7 | 0.2 |
| 30-40 | 4,291 | 6.9 | 37,909 | 2,443 | 35,466 | 6.4 | 1.8 | 2.2 | 0.5 |
| 40-50 | 3,967 | 6.4 | 48,817 | 4,642 | 44,175 | 9.5 | 2.2 | 2.5 | 1.0 |
| 50-75 | 8,948 | 14.4 | 67,956 | 9,012 | 58,944 | 13.3 | 6.8 | 7.5 | 4.2 |
| 75-100 | 8,607 | 13.9 | 94,924 | 15,634 | 79,290 | 16.5 | 9.1 | 9.7 | 7.0 |
| 100-200 | 18,038 | 29.0 | 149,444 | 30,852 | 118,591 | 20.6 | 30.0 | 30.3 | 28.8 |
| 200-500 | 6,273 | 10.1 | 306,699 | 72,901 | 233,798 | 23.8 | 21.4 | 20.8 | 23.7 |
| 500-1,000 | 1,018 | 1.6 | 739,899 | 186,861 | 553,038 | 25.3 | 8.4 | 8.0 | 9.8 |
| More than 1,000 | 530 | 0.9 | 3,153,293 | 899,595 | 2,253,697 | 28.5 | 18.6 | 16.9 | 24.7 |
| All | 62,127 | 100.0 | 144,829 | 31,112 | 113,717 | 21.5 | 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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

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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 T11-0084
Replace Mortgage Interest Deduction with a 12 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
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 | -1.1 | 0.0 | -12.7 |
| 10-20 | 1.5 | 0.0 | 0.0 | -0.4 | -2 | 0.1 | 0.1 | -4.7 | 0.0 | -9.3 |
| 20-30 | 6.1 | 1.7 | 0.0 | -1.3 | -7 | 17.0 | 0.0 | -0.1 | 0.0 | -0.2 |
| 30-40 | 17.6 | 4.2 | 0.1 | -5.2 | -32 | -1.0 | -0.2 | 7.8 | -0.1 | 8.4 |
| 40-50 | 27.0 | 9.3 | 0.1 | -4.3 | -39 | -0.6 | -0.2 | 10.7 | -0.1 | 13.3 |
| 50-75 | 26.6 | 20.3 | 0.0 | 0.1 | 0 | 0.0 | -0.4 | 26.0 | 0.0 | 16.5 |
| 75-100 | 11.3 | 41.1 | -0.5 | 25.6 | 383 | 2.1 | 0.1 | 18.7 | 0.4 | 19.9 |
| 100-200 | 2.1 | 58.7 | -1.1 | 57.5 | 1,180 | 3.8 | 0.5 | 24.0 | 0.9 | 23.4 |
| 200-500 | 0.0 | 60.4 | -1.4 | 23.5 | 3,242 | 4.4 | 0.2 | 8.4 | 1.1 | 24.9 |
| 500-1,000 | 0.0 | 50.1 | -0.4 | 3.0 | 2,398 | 1.4 | 0.0 | 3.2 | 0.3 | 24.2 |
| More than 1,000 | 0.0 | 35.4 | -0.2 | 1.7 | 3,152 | 0.4 | -0.1 | 7.1 | 0.1 | 29.6 |
| All | 11.9 | 11.0 | -0.2 | 100.0 | 97 | 1.5 | 0.0 | 100.0 | 0.2 | 13.7 |

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

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|--|------------------------|------------------|-----------------------------|--|--|--|-----------------------------|------------------------------|---------------------------|
| | Number (thousands) | Percent of Total | | | | | Percent of Total | Percent of Total | |
| Less than 10 | 2,214 | 8.5 | 6,521 | -829 | 7,350 | -12.7 | 1.2 | 1.5 | -1.1 |
| 10-20 | 5,235 | 20.0 | 16,206 | -1,499 | 17,705 | -9.3 | 6.9 | 8.8 | -4.8 |
| 20-30 | 4,634 | 17.7 | 27,054 | -43 | 27,096 | -0.2 | 10.2 | 11.9 | -0.1 |
| 30-40 | 4,091 | 15.7 | 37,746 | 3,220 | 34,526 | 8.5 | 12.6 | 13.3 | 8.0 |
| 40-50 | 2,761 | 10.6 | 48,622 | 6,505 | 42,117 | 13.4 | 11.0 | 11.0 | 10.9 |
| 50-75 | 3,985 | 15.3 | 66,274 | 10,926 | 55,348 | 16.5 | 21.6 | 20.8 | 26.4 |
| 75-100 | 1,688 | 6.5 | 93,241 | 18,163 | 75,077 | 19.5 | 12.9 | 12.0 | 18.6 |
| 100-200 | 1,232 | 4.7 | 139,028 | 31,410 | 107,618 | 22.6 | 14.0 | 12.5 | 23.5 |
| 200-500 | 183 | 0.7 | 309,851 | 73,826 | 236,025 | 23.8 | 4.6 | 4.1 | 8.2 |
| 500-1,000 | 31 | 0.1 | 719,019 | 171,539 | 547,480 | 23.9 | 1.8 | 1.6 | 3.2 |
| More than 1,000 | 14 | 0.1 | 2,995,273 | 882,450 | 2,112,823 | 29.5 | 3.3 | 2.7 | 7.2 |
| All | 26,118 | 100.0 | 46,858 | 6,317 | 40,541 | 13.5 | 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
Baseline: Current Policy
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 | -0.3 | 0.0 | -17.6 |
| 10-20 | 0.6 | 0.1 | 0.0 | 0.0 | -1 | 0.0 | 0.0 | -1.1 | 0.0 | -14.2 |
| 20-30 | 3.1 | 1.9 | 0.0 | 0.0 | 1 | -0.1 | 0.0 | -0.4 | 0.0 | -3.1 |
| 30-40 | 13.3 | 5.4 | 0.0 | -0.3 | -14 | -0.6 | 0.0 | 1.1 | 0.0 | 6.5 |
| 40-50 | 22.4 | 10.6 | 0.1 | -0.3 | -22 | -0.4 | -0.1 | 2.0 | 0.0 | 11.8 |
| 50-75 | 27.9 | 20.0 | 0.0 | -0.2 | -6 | -0.1 | -0.2 | 6.7 | 0.0 | 15.2 |
| 75-100 | 22.2 | 33.1 | -0.2 | 2.8 | 133 | 0.8 | -0.1 | 8.3 | 0.1 | 17.8 |
| 100-200 | 4.8 | 66.6 | -0.9 | 40.7 | 1,055 | 3.4 | 0.3 | 29.5 | 0.7 | 21.8 |
| 200-500 | 0.0 | 78.7 | -1.5 | 44.9 | 3,465 | 4.6 | 0.5 | 24.1 | 1.1 | 25.7 |
| 500-1,000 | 0.1 | 67.2 | -0.8 | 8.4 | 4,278 | 2.2 | 0.0 | 9.3 | 0.6 | 27.3 |
| More than 1,000 | 0.0 | 47.1 | -0.2 | 4.1 | 4,381 | 0.5 | -0.4 | 20.7 | 0.1 | 30.0 |
| All | 11.1 | 28.4 | -0.6 | 100.0 | 535 | 2.4 | 0.0 | 100.0 | 0.5 | 20.9 |

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 | Percent of Total |
| Less than 10 | 2,574 | 5.1 | 6,243 | -1,096 | 7,338 | -17.6 | 0.3 | 0.4 | -0.3 |
| 10-20 | 5,365 | 10.7 | 16,408 | -2,335 | 18,744 | -14.2 | 1.6 | 2.3 | -1.1 |
| 20-30 | 5,534 | 11.1 | 27,039 | -834 | 27,873 | -3.1 | 2.8 | 3.6 | -0.4 |
| 30-40 | 4,955 | 9.9 | 37,825 | 2,463 | 35,363 | 6.5 | 3.5 | 4.1 | 1.1 |
| 40-50 | 3,934 | 7.9 | 48,736 | 5,777 | 42,960 | 11.9 | 3.5 | 3.9 | 2.1 |
| 50-75 | 7,427 | 14.8 | 67,323 | 10,214 | 57,109 | 15.2 | 9.2 | 9.9 | 6.9 |
| 75-100 | 5,589 | 11.2 | 94,752 | 16,759 | 77,993 | 17.7 | 9.8 | 10.1 | 8.5 |
| 100-200 | 10,335 | 20.6 | 148,467 | 31,234 | 117,233 | 21.0 | 28.3 | 28.1 | 29.2 |
| 200-500 | 3,472 | 6.9 | 305,913 | 75,039 | 230,873 | 24.5 | 19.6 | 18.6 | 23.6 |
| 500-1,000 | 523 | 1.0 | 738,730 | 197,398 | 541,331 | 26.7 | 7.1 | 6.6 | 9.3 |
| More than 1,000 | 249 | 0.5 | 3,141,398 | 937,504 | 2,203,894 | 29.8 | 14.4 | 12.7 | 21.1 |
| All | 50,095 | 100.0 | 108,069 | 22,068 | 86,001 | 20.4 | 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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

(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 T11-0084
Replace Mortgage Interest Deduction with a 12 Percent Non-Refundable Credit
Limit Mortgages Eligible for Credit to \$500,000
Baseline: Current Policy
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 | 2.9 |
| 10-20 | 3.1 | 0.0 | 0.0 | -2.0 | -4 | -1.2 | 0.0 | 0.5 | 0.0 | 1.9 |
| 20-30 | 9.5 | 0.0 | 0.1 | -7.7 | -17 | -1.8 | 0.0 | 1.2 | -0.1 | 3.5 |
| 30-40 | 18.3 | 0.2 | 0.2 | -14.8 | -52 | -2.7 | -0.1 | 1.5 | -0.1 | 5.0 |
| 40-50 | 19.4 | 1.4 | 0.1 | -7.5 | -41 | -1.4 | 0.0 | 1.5 | -0.1 | 6.1 |
| 50-75 | 25.6 | 4.8 | 0.1 | -14.6 | -47 | -0.8 | -0.1 | 5.3 | -0.1 | 9.0 |
| 75-100 | 21.3 | 12.4 | 0.0 | -2.0 | -9 | -0.1 | 0.0 | 7.1 | 0.0 | 12.3 |
| 100-200 | 7.7 | 20.6 | -0.2 | 61.6 | 217 | 0.9 | 0.1 | 19.8 | 0.2 | 16.6 |
| 200-500 | 0.1 | 21.4 | -0.2 | 59.6 | 583 | 0.9 | 0.1 | 19.0 | 0.2 | 21.0 |
| 500-1,000 | 0.0 | 19.0 | -0.1 | 14.7 | 711 | 0.4 | 0.0 | 10.3 | 0.1 | 23.6 |
| More than 1,000 | 0.0 | 17.2 | 0.0 | 12.7 | 1,013 | 0.1 | -0.1 | 33.5 | 0.0 | 28.9 |
| All | 11.5 | 5.1 | -0.1 | 100.0 | 39 | 0.3 | 0.0 | 100.0 | 0.1 | 16.6 |

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 | |
| Less than 10 | 2,100 | 6.3 | 6,178 | 181 | 5,997 | 2.9 | 0.5 | 0.6 | 0.1 |
| 10-20 | 6,834 | 20.6 | 16,593 | 321 | 16,273 | 1.9 | 4.1 | 4.8 | 0.5 |
| 20-30 | 5,901 | 17.8 | 26,757 | 942 | 25,815 | 3.5 | 5.7 | 6.6 | 1.2 |
| 30-40 | 3,706 | 11.2 | 37,624 | 1,913 | 35,711 | 5.1 | 5.0 | 5.7 | 1.6 |
| 40-50 | 2,376 | 7.2 | 48,711 | 2,992 | 45,719 | 6.1 | 4.2 | 4.7 | 1.6 |
| 50-75 | 4,043 | 12.2 | 67,491 | 6,097 | 61,394 | 9.0 | 9.9 | 10.8 | 5.4 |
| 75-100 | 2,829 | 8.5 | 93,810 | 11,570 | 82,240 | 12.3 | 9.6 | 10.1 | 7.2 |
| 100-200 | 3,682 | 11.1 | 148,269 | 24,447 | 123,822 | 16.5 | 19.7 | 19.7 | 19.7 |
| 200-500 | 1,324 | 4.0 | 313,263 | 65,167 | 248,096 | 20.8 | 15.0 | 14.2 | 18.9 |
| 500-1,000 | 268 | 0.8 | 741,450 | 174,575 | 566,874 | 23.6 | 7.2 | 6.6 | 10.3 |
| More than 1,000 | 162 | 0.5 | 3,283,256 | 947,808 | 2,335,447 | 28.9 | 19.2 | 16.4 | 33.6 |
| All | 33,251 | 100.0 | 83,172 | 13,725 | 69,447 | 16.5 | 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 policy. Proposal: replaces the mortgage interest deduction with a 12 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 12 percent non-refundable credit raises \$45.8 billion relative to current policy.

(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.