

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

Table T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2013 ¹
Summary Table

Cash Income Percentile ^{2,3}	Tax Units with Tax Increase or Cut 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
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	3.8
Second Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	10.8
Middle Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	17.4
Fourth Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	21.4
Top Quintile	0.0	0	15.1	6,442	-0.5	100.0	974	0.4	29.3
All	0.0	0	2.2	6,442	-0.3	100.0	141	0.2	23.7
Addendum									
80-90	0.0	0	0.1	41	0.0	0.0	0	0.0	24.7
90-95	0.0	0	1.4	333	0.0	0.1	5	0.0	25.9
95-99	0.0	0	51.5	1,051	-0.2	11.1	541	0.2	28.0
Top 1 Percent	0.0	0	88.0	19,500	-1.5	88.8	17,156	1.0	35.7
Top 0.1 Percent	0.0	0	95.2	113,272	-2.2	57.2	107,811	1.4	39.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 20.6

Proposal: 20.6

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law without the proposal. Proposal is the 3.8 percent unearned income Medicare contribution enacted by the health reform legislation.

For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.6	0.0	3.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.9	0.0	10.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.1	0.0	17.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	17.8	0.0	21.4
Top Quintile	0.0	15.1	-0.5	100.0	974	1.2	0.3	67.5	0.4	29.3
All	0.0	2.2	-0.3	100.0	141	0.8	0.0	100.0	0.2	23.7
Addendum										
80-90	0.0	0.1	0.0	0.0	0	0.0	-0.1	14.3	0.0	24.7
90-95	0.0	1.4	0.0	0.1	5	0.0	-0.1	10.4	0.0	25.9
95-99	0.0	51.5	-0.2	11.1	541	0.6	0.0	16.0	0.2	28.0
Top 1 Percent	0.0	88.0	-1.5	88.8	17,156	2.8	0.5	26.8	1.0	35.7
Top 0.1 Percent	0.0	95.2	-2.2	57.2	107,811	3.6	0.4	13.7	1.4	39.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,362	26.1	10,122	3.7	380	0.6	9,742	4.6	3.8	
Second Quintile	37,681	22.7	27,586	8.6	2,966	4.0	24,620	10.1	10.8	
Middle Quintile	32,699	19.7	50,739	13.8	8,817	10.2	41,922	14.9	17.4	
Fourth Quintile	27,208	16.4	87,197	19.7	18,644	17.9	68,554	20.3	21.4	
Top Quintile	24,067	14.5	272,779	54.6	78,994	67.2	193,785	50.7	29.0	
All	166,272	100.0	72,381	100.0	17,017	100.0	55,365	100.0	23.5	
Addendum										
80-90	12,130	7.3	136,031	13.7	33,550	14.4	102,481	13.5	24.7	
90-95	5,919	3.6	193,370	9.5	50,093	10.5	143,277	9.2	25.9	
95-99	4,805	2.9	338,609	13.5	94,325	16.0	244,285	12.8	27.9	
Top 1 Percent	1,213	0.7	1,767,267	17.8	613,835	26.3	1,153,432	15.2	34.7	
Top 0.1 Percent	124	0.1	7,871,135	8.1	3,032,944	13.3	4,838,192	6.5	38.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 20.6

Proposal: 20.6

* Less than 0.05

(1) Calendar year. Baseline is current law without the proposal. Proposal is the 3.8 percent unearned income Medicare contribution enacted by the health reform legislation. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 breaks are (in 2011 dollars): 20% \$17,909; 40% \$37,090; 60% \$64,531; 80% \$111,344; 90% \$160,377; 95% \$227,314; 99% \$592,985; 99.9% \$2,682,143.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	1.1
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.8	0.0	9.4
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.2	0.0	15.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.0	0.0	20.8
Top Quintile	0.0	11.9	-0.5	100.0	764	1.2	0.2	71.7	0.3	28.9
All	0.0	2.2	-0.3	100.0	141	0.8	0.0	100.0	0.2	23.7
Addendum										
80-90	0.0	*	0.0	0.0	0	0.0	-0.1	15.2	0.0	24.2
90-95	0.0	1.5	0.0	0.1	2	0.0	-0.1	11.5	0.0	25.8
95-99	0.0	37.5	-0.2	8.7	335	0.4	-0.1	17.1	0.1	27.7
Top 1 Percent	0.0	84.5	-1.5	91.2	14,577	2.8	0.5	27.9	1.0	35.4
Top 0.1 Percent	0.0	95.0	-2.2	59.9	94,811	3.6	0.4	14.3	1.4	39.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	36,065	21.7	9,430	2.8	105	0.1	9,325	3.7	1.1	
Second Quintile	34,713	20.9	24,668	7.1	2,308	2.8	22,359	8.4	9.4	
Middle Quintile	33,034	19.9	44,764	12.3	7,107	8.3	37,657	13.5	15.9	
Fourth Quintile	30,538	18.4	76,122	19.3	15,839	17.1	60,283	20.0	20.8	
Top Quintile	30,666	18.4	230,715	58.8	65,954	71.5	164,761	54.9	28.6	
All	166,272	100.0	72,381	100.0	17,017	100.0	55,365	100.0	23.5	
Addendum										
80-90	15,414	9.3	115,967	14.9	28,077	15.3	87,890	14.7	24.2	
90-95	7,701	4.6	165,716	10.6	42,698	11.6	123,018	10.3	25.8	
95-99	6,085	3.7	289,779	14.7	79,877	17.2	209,901	13.9	27.6	
Top 1 Percent	1,466	0.9	1,533,122	18.7	528,445	27.4	1,004,676	16.0	34.5	
Top 0.1 Percent	148	0.1	6,917,786	8.5	2,664,453	14.0	4,253,333	6.8	38.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

Number of AMT Taxpayers (millions). Baseline: 20.6

Proposal: 20.6

* Less than 0.05

(1) Calendar year. Baseline is current law without the proposal. Proposal is the 3.8 percent unearned income Medicare contribution enacted by the health reform legislation. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	5.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.9	0.0	9.1
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	12.1	0.0	15.9
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	19.8	0.0	21.6
Top Quintile	0.0	6.5	-0.4	100.0	410	0.9	0.2	61.7	0.3	29.9
All	0.0	0.8	-0.2	100.0	49	0.6	0.0	100.0	0.1	22.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.4	0.0	25.3
90-95	0.0	*	0.0	0.0	0	0.0	-0.1	10.8	0.0	27.2
95-99	0.0	18.0	-0.1	5.3	117	0.2	-0.1	14.7	0.1	28.4
Top 1 Percent	0.0	81.0	-1.6	94.7	10,224	2.6	0.4	20.8	1.0	38.5
Top 0.1 Percent	0.0	95.8	-2.5	60.9	71,950	3.4	0.3	10.5	1.5	44.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	23,198	28.8	7,467	5.5	422	1.4	7,045	6.7	5.7	
Second Quintile	19,587	24.3	19,069	11.9	1,740	4.9	17,329	13.8	9.1	
Middle Quintile	15,802	19.6	33,699	16.9	5,348	12.2	28,351	18.3	15.9	
Fourth Quintile	11,719	14.5	54,610	20.3	11,794	19.9	42,816	20.5	21.6	
Top Quintile	9,604	11.9	150,063	45.8	44,410	61.4	105,654	41.4	29.6	
All	80,622	100.0	39,043	100.0	8,611	100.0	30,432	100.0	22.1	
Addendum										
80-90	5,116	6.4	83,160	13.5	21,024	15.5	62,136	13.0	25.3	
90-95	2,332	2.9	118,552	8.8	32,220	10.8	86,332	8.2	27.2	
95-99	1,790	2.2	202,277	11.5	57,243	14.8	145,034	10.6	28.3	
Top 1 Percent	365	0.5	1,033,246	12.0	387,211	20.4	646,035	9.6	37.5	
Top 0.1 Percent	33	0.0	4,968,941	5.3	2,115,686	10.2	2,853,255	3.9	42.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

* Less than 0.05

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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 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.3	0.0	10.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	5.3	0.0	15.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.1	0.0	20.3
Top Quintile	0.0	14.6	-0.5	100.0	933	1.2	0.2	78.2	0.3	28.6
All	0.0	4.9	-0.3	100.0	312	0.9	0.0	100.0	0.2	25.2
Addendum										
80-90	0.0	*	0.0	0.0	0	0.0	-0.1	15.3	0.0	23.8
90-95	0.0	2.0	0.0	0.1	3	0.0	-0.1	12.5	0.0	25.4
95-99	0.0	45.5	-0.2	9.5	427	0.5	-0.1	18.9	0.1	27.5
Top 1 Percent	0.0	85.3	-1.4	90.4	15,618	2.7	0.6	31.5	0.9	34.7
Top 0.1 Percent	0.0	94.5	-2.2	58.8	99,772	3.6	0.4	15.9	1.3	39.0

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	4,398	7.6	14,027	0.8	76	0.0	13,951	1.1	0.5	
Second Quintile	6,664	11.5	35,110	3.1	3,807	1.3	31,303	3.6	10.8	
Middle Quintile	11,624	20.1	58,324	8.8	8,837	5.4	49,486	10.0	15.2	
Fourth Quintile	15,415	26.7	93,246	18.7	18,905	15.2	74,341	19.9	20.3	
Top Quintile	19,298	33.4	274,004	68.9	77,518	78.0	196,486	65.9	28.3	
All	57,802	100.0	132,789	100.0	33,194	100.0	99,595	100.0	25.0	
Addendum										
80-90	9,190	15.9	135,542	16.2	32,228	15.4	103,314	16.5	23.8	
90-95	5,048	8.7	188,768	12.4	47,867	12.6	140,901	12.4	25.4	
95-99	4,018	7.0	331,401	17.4	90,851	19.0	240,550	16.8	27.4	
Top 1 Percent	1,042	1.8	1,686,659	22.9	569,148	30.9	1,117,511	20.2	33.7	
Top 0.1 Percent	106	0.2	7,429,691	10.3	2,799,204	15.5	4,630,487	8.5	37.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

* Less than 0.05

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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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(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	-4.1	0.0	-6.4
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	11.9	0.0	7.9
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	26.0	0.0	17.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	28.2	0.0	21.6
Top Quintile	0.0	8.8	-0.3	100.0	374	0.8	0.2	37.9	0.2	27.3
All	0.0	0.4	-0.1	100.0	19	0.3	0.0	100.0	0.1	15.8
Addendum										
80-90	0.0	0.1	0.0	0.1	0	0.0	0.0	14.1	0.0	24.8
90-95	0.0	2.0	0.0	0.1	2	0.0	0.0	5.7	0.0	25.6
95-99	0.0	40.7	-0.1	10.1	256	0.4	0.0	7.9	0.1	25.7
Top 1 Percent	0.0	90.8	-1.4	89.8	12,676	2.7	0.2	10.2	0.9	35.6
Top 0.1 Percent	0.0	98.4	-2.2	53.5	85,058	3.4	0.1	4.8	1.3	40.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	8,232	32.6	12,526	10.2	-800	-4.1	13,327	12.9	-6.4	
Second Quintile	8,034	31.8	29,745	23.7	2,363	11.9	27,382	25.9	7.9	
Middle Quintile	4,869	19.3	49,199	23.7	8,538	26.1	40,661	23.3	17.4	
Fourth Quintile	2,769	11.0	75,439	20.7	16,285	28.3	59,154	19.3	21.6	
Top Quintile	1,263	5.0	175,207	21.9	47,516	37.7	127,690	19.0	27.1	
All	25,256	100.0	39,986	100.0	6,304	100.0	33,682	100.0	15.8	
Addendum										
80-90	814	3.2	111,657	9.0	27,649	14.1	84,007	8.0	24.8	
90-95	230	0.9	154,037	3.5	39,433	5.7	114,604	3.1	25.6	
95-99	186	0.7	266,330	4.9	68,079	7.9	198,251	4.3	25.6	
Top 1 Percent	33	0.1	1,361,869	4.5	472,606	9.9	889,262	3.5	34.7	
Top 0.1 Percent	3	0.0	6,471,563	1.9	2,512,762	4.7	3,958,801	1.4	38.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

* Less than 0.05

(1) Calendar year. Baseline is current law without the proposal. Proposal is the 3.8 percent unearned income Medicare contribution enacted by the health reform legislation. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(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 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.0	0.0	-8.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.0	0.0	9.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.0	0.0	18.1
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	20.6	0.0	22.6
Top Quintile	0.0	19.3	-0.4	100.0	882	1.0	0.2	67.4	0.3	29.9
All	0.0	3.3	-0.2	100.0	149	0.7	0.0	100.0	0.2	24.1
Addendum										
80-90	0.0	0.1	0.0	0.0	0	0.0	-0.1	15.7	0.0	25.5
90-95	0.0	5.6	0.0	0.2	8	0.0	-0.1	10.6	0.0	26.7
95-99	0.0	71.8	-0.2	13.6	629	0.6	0.0	16.3	0.2	28.8
Top 1 Percent	0.0	94.1	-1.3	86.2	16,604	2.4	0.4	24.8	0.8	36.5
Top 0.1 Percent	0.0	98.8	-2.1	55.6	116,474	3.3	0.3	11.7	1.3	40.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,088	20.4	13,356	2.9	-1,100	-1.0	14,455	4.2	-8.2	
Second Quintile	10,789	21.8	33,957	8.0	3,051	3.0	30,906	9.5	9.0	
Middle Quintile	10,009	20.3	60,740	13.2	11,003	10.0	49,737	14.2	18.1	
Fourth Quintile	9,950	20.1	101,182	21.9	22,874	20.7	78,308	22.3	22.6	
Top Quintile	8,349	16.9	298,935	54.3	88,414	67.2	210,520	50.3	29.6	
All	49,418	100.0	93,026	100.0	22,244	100.0	70,782	100.0	23.9	
Addendum										
80-90	4,396	8.9	154,877	14.8	39,517	15.8	115,360	14.5	25.5	
90-95	1,981	4.0	221,864	9.6	59,214	10.7	162,650	9.2	26.7	
95-99	1,589	3.2	392,402	13.6	112,489	16.3	279,912	12.7	28.7	
Top 1 Percent	382	0.8	1,966,324	16.4	701,929	24.4	1,264,395	13.8	35.7	
Top 0.1 Percent	35	0.1	9,174,185	7.0	3,563,362	11.4	5,610,823	5.6	38.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

* Less than 0.05

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 without the proposal. Proposal is the 3.8 percent unearned income Medicare contribution enacted by the health reform legislation. For a description of TPC's current law and current policy baselines, 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 2011 dollars): 20% \$12,690; 40% \$24,714; 60% \$41,203; 80% \$67,700; 90% \$97,816; 95% \$138,772; 99% \$358,601; 99.9% \$1,621,178.

(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 T12-0089
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 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	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	0.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	1.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	3.7	0.0	6.0
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	10.9	0.0	13.0
Top Quintile	0.0	10.5	-0.7	100.0	1,152	1.8	0.2	84.5	0.5	27.9
All	0.0	2.0	-0.4	100.0	215	1.5	0.0	100.0	0.3	20.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.2	11.9	0.0	18.8
90-95	0.0	0.2	0.0	0.0	0	0.0	-0.2	11.2	0.0	22.3
95-99	0.0	24.6	-0.2	6.8	346	0.5	-0.2	20.5	0.1	26.3
Top 1 Percent	0.0	79.8	-2.0	93.2	17,368	3.5	0.8	41.0	1.3	36.8
Top 0.1 Percent	0.0	95.4	-2.8	58.2	105,642	4.2	0.6	21.5	1.7	41.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2013 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,988	16.2	9,531	2.2	75	0.1	9,456	2.7	0.8	
Second Quintile	9,396	25.4	20,198	7.2	366	0.7	19,832	8.8	1.8	
Middle Quintile	8,334	22.5	40,053	12.7	2,384	3.8	37,668	14.9	6.0	
Fourth Quintile	6,402	17.3	69,759	17.0	9,052	11.1	60,707	18.4	13.0	
Top Quintile	6,913	18.7	232,751	61.1	63,826	84.3	168,925	55.3	27.4	
All	37,068	100.0	71,055	100.0	14,119	100.0	56,936	100.0	19.9	
Addendum										
80-90	3,175	8.6	105,683	12.7	19,871	12.1	85,812	12.9	18.8	
90-95	1,753	4.7	152,604	10.2	33,963	11.4	118,641	9.9	22.3	
95-99	1,557	4.2	266,474	15.8	69,642	20.7	196,832	14.5	26.1	
Top 1 Percent	427	1.2	1,382,440	22.4	491,601	40.2	890,839	18.0	35.6	
Top 0.1 Percent	44	0.1	6,274,992	10.4	2,502,534	21.0	3,772,458	7.8	39.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

* Less than 0.05

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

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