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Table T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	1.8	
Second Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	8.2	
Middle Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	15.2	
Fourth Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	18.8	
Top Quintile	0.0	0	15.1	6,591	-0.5	100.0	996	0.4	26.0	
All	0.0	0	2.2	6,591	-0.3	100.0	144	0.2	20.8	
Addendum										
80-90	0.0	0	0.1	41	0.0	0.0	0	0.0	21.5	
90-95	0.0	0	1.4	335	0.0	0.1	5	0.0	23.0	
95-99	0.0	0	51.5	1,064	-0.2	11.0	548	0.2	25.1	
Top 1 Percent	0.0	0	88.0	19,974	-1.4	88.9	17,574	1.0	31.8	
Top 0.1 Percent	0.0	0	95.2	116,297	-2.1	57.4	110,690	1.4	35.6	

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

Number of AMT Taxpayers (millions). Baseline: 4.4

Proposal: 4.4

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy 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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	0.3	0.0	1.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.4	0.0	8.2
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.1	0.0	15.2
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	17.9	0.0	18.8
Top Quintile	0.0	15.1	-0.5	100.0	996	1.4	0.3	68.2	0.4	26.0
All	0.0	2.2	-0.3	100.0	144	1.0	0.0	100.0	0.2	20.8
Addendum										
80-90	0.0	0.1	0.0	0.0	0	0.0	-0.1	14.2	0.0	21.5
90-95	0.0	1.4	0.0	0.1	5	0.0	-0.1	10.5	0.0	23.0
95-99	0.0	51.5	-0.2	11.0	548	0.7	-0.1	16.3	0.2	25.1
Top 1 Percent	0.0	88.0	-1.4	88.9	17,574	3.2	0.6	27.2	1.0	31.8
Top 0.1 Percent	0.0	95.2	-2.1	57.4	110,690	4.1	0.4	13.9	1.4	35.6

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	186	0.3	9,936	4.5	1.8	
Second Quintile	37,681	22.7	27,586	8.6	2,257	3.4	25,329	10.0	8.2	
Middle Quintile	32,699	19.7	50,739	13.8	7,723	10.2	43,015	14.7	15.2	
Fourth Quintile	27,208	16.4	87,197	19.7	16,412	18.0	70,786	20.2	18.8	
Top Quintile	24,067	14.5	272,779	54.6	69,887	67.9	202,892	51.1	25.6	
All	166,272	100.0	72,381	100.0	14,905	100.0	57,477	100.0	20.6	
Addendum										
80-90	12,130	7.3	136,031	13.7	29,226	14.3	106,804	13.6	21.5	
90-95	5,919	3.6	193,370	9.5	44,401	10.6	148,969	9.2	23.0	
95-99	4,805	2.9	338,609	13.5	84,293	16.3	254,316	12.8	24.9	
Top 1 Percent	1,213	0.7	1,767,267	17.8	543,888	26.6	1,223,378	15.5	30.8	
Top 0.1 Percent	124	0.1	7,871,135	8.1	2,692,769	13.5	5,178,367	6.7	34.2	

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

Number of AMT Taxpayers (millions). Baseline: 4.4 Proposal: 4.4

* Less than 0.05

(1) Calendar year. Baseline is current policy 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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	-0.3	0.0	-2.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.2	0.0	6.4
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.1	0.0	13.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	17.0	0.0	18.3
Top Quintile	0.0	11.9	-0.5	100.0	782	1.3	0.3	72.9	0.3	25.8
All	0.0	2.2	-0.3	100.0	144	1.0	0.0	100.0	0.2	20.8
Addendum										
80-90	0.0	*	0.0	0.0	0	0.0	-0.2	15.4	0.0	21.5
90-95	0.0	1.5	0.0	0.1	2	0.0	-0.1	11.8	0.0	23.0
95-99	0.0	37.5	-0.2	8.6	340	0.5	-0.1	17.5	0.1	24.9
Top 1 Percent	0.0	84.5	-1.4	91.3	14,925	3.2	0.6	28.3	1.0	31.4
Top 0.1 Percent	0.0	95.0	-2.1	60.1	97,274	4.1	0.4	14.6	1.4	35.6

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	36,065	21.7	9,430	2.8	-237	-0.3	9,667	3.7	-2.5	
Second Quintile	34,713	20.9	24,668	7.1	1,573	2.2	23,095	8.4	6.4	
Middle Quintile	33,034	19.9	44,764	12.3	6,118	8.2	38,646	13.4	13.7	
Fourth Quintile	30,538	18.4	76,122	19.3	13,949	17.2	62,173	19.9	18.3	
Top Quintile	30,666	18.4	230,715	58.8	58,697	72.6	172,018	55.2	25.4	
All	166,272	100.0	72,381	100.0	14,905	100.0	57,477	100.0	20.6	
Addendum										
80-90	15,414	9.3	115,967	14.9	24,974	15.5	90,993	14.7	21.5	
90-95	7,701	4.6	165,716	10.6	38,169	11.9	127,547	10.3	23.0	
95-99	6,085	3.7	289,779	14.7	71,689	17.6	218,089	13.9	24.7	
Top 1 Percent	1,466	0.9	1,533,122	18.7	467,061	27.6	1,066,061	16.4	30.5	
Top 0.1 Percent	148	0.1	6,917,786	8.5	2,362,998	14.1	4,554,788	7.1	34.2	

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

Number of AMT Taxpayers (millions). Baseline: 4.4

Proposal: 4.4

* Less than 0.05

(1) Calendar year. Baseline is current policy 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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(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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	1.2	0.0	4.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.8	0.0	8.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	12.4	0.0	14.5
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	20.6	0.0	20.1
Top Quintile	0.0	6.5	-0.4	100.0	417	1.1	0.3	60.8	0.3	26.4
All	0.0	0.8	-0.2	100.0	50	0.6	0.0	100.0	0.1	19.8
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.7	0.0	23.0
90-95	0.0	*	0.0	0.0	0	0.0	-0.1	10.8	0.0	24.4
95-99	0.0	18.0	-0.1	5.3	118	0.2	-0.1	14.3	0.1	24.7
Top 1 Percent	0.0	81.0	-1.5	94.7	10,384	3.1	0.5	20.0	1.0	33.1
Top 0.1 Percent	0.0	95.8	-2.4	61.1	73,267	4.0	0.3	10.3	1.5	38.7

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	324	1.2	7,144	6.6	4.3	
Second Quintile	19,587	24.3	19,069	11.9	1,530	4.8	17,539	13.6	8.0	
Middle Quintile	15,802	19.6	33,699	16.9	4,898	12.5	28,801	18.0	14.5	
Fourth Quintile	11,719	14.5	54,610	20.3	10,983	20.7	43,627	20.2	20.1	
Top Quintile	9,604	11.9	150,063	45.8	39,139	60.6	110,924	42.2	26.1	
All	80,622	100.0	39,043	100.0	7,697	100.0	31,347	100.0	19.7	
Addendum										
80-90	5,116	6.4	83,160	13.5	19,162	15.8	63,998	13.0	23.0	
90-95	2,332	2.9	118,552	8.8	28,955	10.9	89,597	8.3	24.4	
95-99	1,790	2.2	202,277	11.5	49,897	14.4	152,380	10.8	24.7	
Top 1 Percent	365	0.5	1,033,246	12.0	331,518	19.5	701,728	10.1	32.1	
Top 0.1 Percent	33	0.0	4,968,941	5.3	1,851,499	10.0	3,117,442	4.1	37.3	

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

* Less than 0.05

(1) Calendar year. Baseline is current policy 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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013 ¹
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	-0.2	0.0	-5.9
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	6.1
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	5.0	0.0	12.5
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	14.7	0.0	17.4
Top Quintile	0.0	14.6	-0.5	100.0	957	1.4	0.2	79.5	0.4	25.6
All	0.0	4.9	-0.3	100.0	319	1.1	0.0	100.0	0.2	22.1
Addendum										
80-90	0.0	*	0.0	0.0	0	0.0	-0.2	15.3	0.0	20.9
90-95	0.0	2.0	0.0	0.1	3	0.0	-0.1	12.7	0.0	22.6
95-99	0.0	45.5	-0.2	9.5	434	0.5	-0.1	19.5	0.1	24.9
Top 1 Percent	0.0	85.3	-1.4	90.5	16,027	3.2	0.6	32.0	1.0	31.0
Top 0.1 Percent	0.0	94.5	-2.1	59.0	102,606	4.1	0.5	16.2	1.4	34.9

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	4,398	7.6	14,027	0.8	-822	-0.2	14,849	1.1	-5.9	
Second Quintile	6,664	11.5	35,110	3.1	2,150	0.9	32,960	3.7	6.1	
Middle Quintile	11,624	20.1	58,324	8.8	7,316	5.1	51,007	9.9	12.5	
Fourth Quintile	15,415	26.7	93,246	18.7	16,193	14.9	77,053	19.8	17.4	
Top Quintile	19,298	33.4	274,004	68.9	69,074	79.3	204,930	66.0	25.2	
All	57,802	100.0	132,789	100.0	29,083	100.0	103,707	100.0	21.9	
Addendum										
80-90	9,190	15.9	135,542	16.2	28,324	15.5	107,218	16.4	20.9	
90-95	5,048	8.7	188,768	12.4	42,672	12.8	146,096	12.3	22.6	
95-99	4,018	7.0	331,401	17.4	82,082	19.6	249,319	16.7	24.8	
Top 1 Percent	1,042	1.8	1,686,659	22.9	506,183	31.4	1,180,476	20.5	30.0	
Top 0.1 Percent	106	0.2	7,429,691	10.3	2,487,053	15.7	4,942,638	8.8	33.5	

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

* Less than 0.05

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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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	-10.1	0.0	-12.3
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	7.1	0.0	3.7
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	27.4	0.0	14.4
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	31.5	0.0	19.0
Top Quintile	0.0	8.8	-0.3	100.0	380	0.9	0.2	44.0	0.2	25.1
All	0.0	0.4	-0.1	100.0	19	0.4	0.0	100.0	0.1	12.5
Addendum										
80-90	0.0	0.1	0.0	0.1	0	0.0	-0.1	16.5	0.0	22.8
90-95	0.0	2.0	0.0	0.1	2	0.0	0.0	6.6	0.0	23.5
95-99	0.0	40.7	-0.1	10.0	258	0.4	0.0	9.4	0.1	23.8
Top 1 Percent	0.0	90.8	-1.4	89.9	12,900	3.0	0.3	11.6	1.0	32.1
Top 0.1 Percent	0.0	98.4	-2.1	53.5	86,497	3.8	0.2	5.5	1.3	36.1

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	-1,538	-10.1	14,064	13.1	-12.3	
Second Quintile	8,034	31.8	29,745	23.7	1,110	7.1	28,634	26.0	3.7	
Middle Quintile	4,869	19.3	49,199	23.7	7,075	27.5	42,124	23.2	14.4	
Fourth Quintile	2,769	11.0	75,439	20.7	14,330	31.6	61,109	19.1	19.0	
Top Quintile	1,263	5.0	175,207	21.9	43,531	43.8	131,676	18.8	24.9	
All	25,256	100.0	39,986	100.0	4,968	100.0	35,018	100.0	12.4	
Addendum										
80-90	814	3.2	111,657	9.0	25,468	16.5	86,189	7.9	22.8	
90-95	230	0.9	154,037	3.5	36,227	6.6	117,810	3.1	23.5	
95-99	186	0.7	266,330	4.9	63,247	9.4	203,084	4.3	23.8	
Top 1 Percent	33	0.1	1,361,869	4.5	424,027	11.3	937,841	3.5	31.1	
Top 0.1 Percent	3	0.0	6,471,563	1.9	2,250,284	5.3	4,221,279	1.4	34.8	

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

* Less than 0.05

(1) Calendar year. Baseline is current policy 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 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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2013¹
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	-2.3	0.0	-15.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	3.5
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	9.5	0.0	14.7
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	20.3	0.0	18.9
Top Quintile	0.0	19.3	-0.4	100.0	909	1.2	0.2	70.9	0.3	26.7
All	0.0	3.3	-0.2	100.0	154	0.8	0.0	100.0	0.2	20.4
Addendum										
80-90	0.0	0.1	0.0	0.0	0	0.0	-0.1	16.2	0.0	22.4
90-95	0.0	5.6	0.0	0.2	9	0.0	-0.1	11.1	0.0	23.7
95-99	0.0	71.8	-0.2	13.4	642	0.6	0.0	17.5	0.2	26.3
Top 1 Percent	0.0	94.1	-1.3	86.3	17,131	2.8	0.5	26.1	0.9	32.6
Top 0.1 Percent	0.0	98.8	-2.0	55.8	120,419	3.8	0.4	12.4	1.3	36.0

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	10,088	20.4	13,356	2.9	-2,113	-2.3	15,468	4.3	-15.8	
Second Quintile	10,789	21.8	33,957	8.0	1,197	1.4	32,760	9.6	3.5	
Middle Quintile	10,009	20.3	60,740	13.2	8,904	9.6	51,836	14.2	14.7	
Fourth Quintile	9,950	20.1	101,182	21.9	19,155	20.5	82,027	22.3	18.9	
Top Quintile	8,349	16.9	298,935	54.3	78,823	70.7	220,112	50.1	26.4	
All	49,418	100.0	93,026	100.0	18,833	100.0	74,193	100.0	20.3	
Addendum										
80-90	4,396	8.9	154,877	14.8	34,612	16.4	120,266	14.4	22.4	
90-95	1,981	4.0	221,864	9.6	52,597	11.2	169,266	9.1	23.7	
95-99	1,589	3.2	392,402	13.6	102,717	17.5	289,684	12.6	26.2	
Top 1 Percent	382	0.8	1,966,324	16.4	623,797	25.6	1,342,527	14.0	31.7	
Top 0.1 Percent	35	0.1	9,174,185	7.0	3,178,829	12.0	5,995,356	5.8	34.7	

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 policy 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 T12-0095
Health Reform Act's 3.8 Percent Unearned Income Medicare Contribution
Baseline: Current Policy
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	0.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.7	0.0	1.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	3.6	0.0	5.0
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.2	10.9	0.0	11.1
Top Quintile	0.0	10.5	-0.7	100.0	1,169	2.2	0.3	84.7	0.5	23.9
All	0.0	2.0	-0.4	100.0	218	1.8	0.0	100.0	0.3	17.2
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.2	11.6	0.0	15.7
90-95	0.0	0.2	0.0	0.0	0	0.0	-0.2	11.1	0.0	18.8
95-99	0.0	24.6	-0.2	6.7	348	0.6	-0.3	20.3	0.1	22.2
Top 1 Percent	0.0	79.8	-1.8	93.3	17,636	4.2	0.9	41.7	1.3	32.0
Top 0.1 Percent	0.0	95.4	-2.6	58.3	107,528	4.9	0.7	22.3	1.7	36.7

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	66	0.1	9,464	2.6	0.7	
Second Quintile	9,396	25.4	20,198	7.2	316	0.7	19,882	8.5	1.6	
Middle Quintile	8,334	22.5	40,053	12.7	1,981	3.7	38,072	14.5	5.0	
Fourth Quintile	6,402	17.3	69,759	17.0	7,709	11.1	62,050	18.2	11.1	
Top Quintile	6,913	18.7	232,751	61.1	54,334	84.4	178,418	56.4	23.3	
All	37,068	100.0	71,055	100.0	12,010	100.0	59,045	100.0	16.9	
Addendum										
80-90	3,175	8.6	105,683	12.7	16,570	11.8	89,112	12.9	15.7	
90-95	1,753	4.7	152,604	10.2	28,675	11.3	123,929	9.9	18.8	
95-99	1,557	4.2	266,474	15.8	58,734	20.5	207,740	14.8	22.0	
Top 1 Percent	427	1.2	1,382,440	22.4	424,031	40.7	958,409	18.7	30.7	
Top 0.1 Percent	44	0.1	6,274,992	10.4	2,193,200	21.6	4,081,792	8.2	35.0	

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.

(1) Calendar year. Baseline is current policy 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>

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(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.