

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

Table T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2022 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	2.5	
Second Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	10.6	
Middle Quintile	0.0	0	0.0	0	0.0	0.0	0	0.0	17.5	
Fourth Quintile	0.0	0	0.2	130	0.0	0.1	0	0.0	20.8	
Top Quintile	0.0	0	20.5	2,306	-0.2	99.7	472	0.1	27.1	
All	0.0	0	3.0	2,280	-0.1	100.0	68	0.1	22.1	
Addendum										
80-90	0.0	0	2.1	175	0.0	0.4	4	0.0	23.5	
90-95	0.0	0	19.2	243	0.0	2.5	47	0.0	24.2	
95-99	0.0	0	56.7	1,409	-0.2	33.8	799	0.2	27.3	
Top 1 Percent	0.0	0	65.4	9,151	-0.4	63.1	5,987	0.3	31.8	
Top 0.1 Percent	0.0	0	72.0	31,374	-0.4	24.0	22,578	0.2	35.2	

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

Number of AMT Taxpayers (millions). Baseline: 9.3

Proposal: 9.3

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current policy without the proposal. Proposal is the additional 0.9 percent HI tax on earnings 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% \$22,282; 40% \$45,752; 60% \$78,322; 80% \$138,418; 90% \$185,450; 95% \$272,946; 99% \$714,348; 99.9% \$3,133,996.

(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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile, 2022 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	0.5	0.0	2.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.5	0.0	10.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	11.7	0.0	17.5
Fourth Quintile	0.0	0.2	0.0	0.1	0	0.0	-0.1	19.3	0.0	20.8
Top Quintile	0.0	20.5	-0.2	99.7	472	0.5	0.1	63.9	0.1	27.1
All	0.0	3.0	-0.1	100.0	68	0.3	0.0	100.0	0.1	22.1
Addendum										
80-90	0.0	2.1	0.0	0.4	4	0.0	0.0	14.8	0.0	23.5
90-95	0.0	19.2	0.0	2.5	47	0.1	0.0	9.9	0.0	24.2
95-99	0.0	56.7	-0.2	33.8	799	0.6	0.1	16.2	0.2	27.3
Top 1 Percent	0.0	65.4	-0.4	63.1	5,987	0.8	0.1	23.1	0.3	31.8
Top 0.1 Percent	0.0	72.0	-0.4	24.0	22,578	0.7	0.0	10.5	0.2	35.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2022 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	45,051	25.2	16,303	4.0	411	0.5	15,891	5.0	2.5	
Second Quintile	41,671	23.3	41,574	9.3	4,417	4.5	37,157	10.7	10.6	
Middle Quintile	35,526	19.9	76,666	14.7	13,450	11.7	63,216	15.5	17.5	
Fourth Quintile	29,306	16.4	129,798	20.5	26,954	19.3	102,843	20.8	20.8	
Top Quintile	25,593	14.3	377,519	52.1	101,903	63.8	275,616	48.7	27.0	
All	178,798	100.0	103,787	100.0	22,851	100.0	80,937	100.0	22.0	
Addendum										
80-90	12,832	7.2	201,121	13.9	47,209	14.8	153,912	13.7	23.5	
90-95	6,360	3.6	263,571	9.0	63,630	9.9	199,941	8.8	24.1	
95-99	5,125	2.9	473,893	13.1	128,415	16.1	345,478	12.2	27.1	
Top 1 Percent	1,275	0.7	2,333,770	16.0	736,679	23.0	1,597,090	14.1	31.6	
Top 0.1 Percent	129	0.1	9,454,596	6.6	3,304,436	10.4	6,150,161	5.5	35.0	

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

Number of AMT Taxpayers (millions). Baseline: 9.3 Proposal: 9.3

* Less than 0.05

(1) Calendar year. Baseline is current policy without the proposal. Proposal is the additional 0.9 percent HI tax on earnings enacted by the health reform legislation. For a description of TPC's current law and current policy baselines, 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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	-0.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.3	0.0	9.4
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	9.1	0.0	15.5
Fourth Quintile	0.0	0.1	0.0	0.0	0	0.0	-0.1	18.9	0.0	20.6
Top Quintile	0.0	16.2	-0.2	99.8	371	0.4	0.1	68.5	0.1	26.8
All	0.0	3.0	-0.1	100.0	68	0.3	0.0	100.0	0.1	22.1
Addendum										
80-90	0.0	2.0	0.0	0.4	3	0.0	0.0	15.4	0.0	23.2
90-95	0.0	11.3	0.0	4.2	58	0.1	0.0	11.9	0.0	24.4
95-99	0.0	47.3	-0.2	32.9	610	0.6	0.1	17.3	0.2	27.1
Top 1 Percent	0.0	57.4	-0.4	62.3	4,939	0.8	0.1	23.9	0.2	31.4
Top 0.1 Percent	0.0	67.0	-0.4	24.6	19,127	0.7	0.0	11.1	0.2	35.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	37,209	20.8	15,382	3.1	-81	-0.1	15,463	4.0	-0.5	
Second Quintile	38,632	21.6	37,376	7.8	3,528	3.3	33,848	9.0	9.4	
Middle Quintile	35,752	20.0	67,536	13.0	10,443	9.1	57,094	14.1	15.5	
Fourth Quintile	32,958	18.4	113,958	20.2	23,524	19.0	90,434	20.6	20.6	
Top Quintile	32,595	18.2	321,197	56.4	85,792	68.4	235,405	53.0	26.7	
All	178,798	100.0	103,787	100.0	22,851	100.0	80,937	100.0	22.0	
Addendum										
80-90	15,775	8.8	172,921	14.7	40,034	15.5	132,887	14.5	23.2	
90-95	8,770	4.9	227,793	10.8	55,581	11.9	172,212	10.4	24.4	
95-99	6,522	3.7	402,401	14.1	108,334	17.3	294,066	13.3	26.9	
Top 1 Percent	1,527	0.9	2,042,383	16.8	635,661	23.8	1,406,723	14.9	31.1	
Top 0.1 Percent	156	0.1	8,292,771	7.0	2,906,568	11.1	5,386,203	5.8	35.1	

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

Number of AMT Taxpayers (millions). Baseline: 9.3

Proposal: 9.3

* Less than 0.05

(1) Calendar year. Baseline is current policy without the proposal. Proposal is the additional 0.9 percent HI tax on earnings 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% \$16,414; 40% \$30,982; 60% \$50,893; 80% \$82,426; 90% \$113,847; 95% \$159,996; 99% \$402,820; 99.9% \$1,874,628.

(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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	1.3	0.0	5.1
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.6	0.0	8.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	0.0	15.6
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	23.0	0.0	22.2
Top Quintile	0.0	8.9	-0.1	99.8	137	0.2	0.1	57.2	0.1	27.7
All	0.0	1.0	0.0	100.0	16	0.1	0.0	100.0	0.0	20.9
Addendum										
80-90	0.0	0.2	0.0	0.2	1	0.0	0.0	12.5	0.0	24.2
90-95	0.0	0.7	0.0	0.4	2	0.0	0.0	11.3	0.0	25.6
95-99	0.0	31.8	-0.1	28.6	178	0.2	0.0	15.7	0.1	27.2
Top 1 Percent	0.0	41.0	-0.3	70.6	2,447	0.5	0.1	17.6	0.2	33.3
Top 0.1 Percent	0.0	52.9	-0.3	33.0	11,856	0.5	0.0	8.9	0.2	38.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	21,821	25.9	12,083	5.4	620	1.3	11,462	6.4	5.1	
Second Quintile	22,271	26.4	29,350	13.3	2,567	5.6	26,783	15.3	8.8	
Middle Quintile	16,677	19.8	50,676	17.2	7,891	12.8	42,785	18.3	15.6	
Fourth Quintile	12,876	15.3	82,876	21.7	18,421	23.0	64,456	21.3	22.2	
Top Quintile	9,653	11.5	220,495	43.2	60,907	57.1	159,589	39.5	27.6	
All	84,243	100.0	58,478	100.0	12,222	100.0	46,256	100.0	20.9	
Addendum										
80-90	4,438	5.3	120,186	10.8	29,120	12.6	91,066	10.4	24.2	
90-95	2,700	3.2	167,862	9.2	43,018	11.3	124,844	8.7	25.6	
95-99	2,131	2.5	280,166	12.1	75,952	15.7	204,215	11.2	27.1	
Top 1 Percent	383	0.5	1,421,176	11.1	471,398	17.6	949,777	9.3	33.2	
Top 0.1 Percent	37	0.0	6,424,331	4.8	2,458,563	8.8	3,965,768	3.8	38.3	

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% \$16,414; 40% \$30,982; 60% \$50,893; 80% \$82,426; 90% \$113,847; 95% \$159,996; 99% \$402,820; 99.9% \$1,874,628.

(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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	-0.1	0.0	-1.7
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	10.2
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.9	0.0	14.5
Fourth Quintile	0.0	0.1	0.0	0.0	0	0.0	-0.1	16.6	0.0	19.8
Top Quintile	0.0	19.0	-0.2	99.8	484	0.5	0.1	76.0	0.1	26.5
All	0.0	6.4	-0.1	100.0	164	0.4	0.0	100.0	0.1	23.5
Addendum										
80-90	0.0	2.3	0.0	0.3	3	0.0	-0.1	16.8	0.0	22.8
90-95	0.0	14.8	0.0	4.5	81	0.1	0.0	12.8	0.0	24.0
95-99	0.0	55.3	-0.2	33.4	837	0.7	0.1	19.0	0.2	27.0
Top 1 Percent	0.0	62.9	-0.4	61.6	5,836	0.9	0.1	27.4	0.3	30.8
Top 0.1 Percent	0.0	71.8	-0.4	23.5	21,798	0.7	0.0	12.3	0.3	34.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	4,620	7.4	21,651	0.9	-358	-0.1	22,008	1.1	-1.7	
Second Quintile	7,157	11.5	53,060	3.3	5,386	1.4	47,674	3.8	10.2	
Middle Quintile	12,718	20.4	87,213	9.5	12,676	5.9	74,537	10.6	14.5	
Fourth Quintile	16,394	26.2	140,184	19.7	27,712	16.7	112,472	20.6	19.8	
Top Quintile	21,091	33.8	371,838	67.2	98,133	75.9	273,705	64.5	26.4	
All	62,499	100.0	186,765	100.0	43,626	100.0	143,139	100.0	23.4	
Addendum										
80-90	10,251	16.4	197,456	17.3	44,909	16.9	152,548	17.5	22.7	
90-95	5,680	9.1	257,704	12.5	61,673	12.9	196,031	12.5	23.9	
95-99	4,080	6.5	470,795	16.5	126,397	18.9	344,398	15.7	26.9	
Top 1 Percent	1,080	1.7	2,253,463	20.9	688,301	27.3	1,565,162	18.9	30.5	
Top 0.1 Percent	110	0.2	8,891,021	8.4	3,037,817	12.3	5,853,204	7.2	34.2	

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

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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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	-5.9	0.0	-7.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	14.4	0.0	9.6
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	27.3	0.0	17.2
Fourth Quintile	0.0	0.1	0.0	0.1	0	0.0	0.0	27.6	0.0	21.3
Top Quintile	0.0	18.2	-0.1	99.8	256	0.4	0.1	36.5	0.1	26.8
All	0.0	0.9	0.0	100.0	12	0.1	0.0	100.0	0.0	15.4
Addendum										
80-90	0.0	4.2	0.0	2.2	9	0.0	0.0	13.2	0.0	24.6
90-95	0.0	32.1	-0.1	7.0	86	0.2	0.0	6.2	0.0	25.8
95-99	0.0	45.6	-0.2	35.7	593	0.6	0.0	7.9	0.2	26.5
Top 1 Percent	0.0	64.2	-0.4	54.9	4,678	0.8	0.1	9.3	0.3	31.9
Top 0.1 Percent	0.0	65.4	-0.4	20.4	20,937	0.7	0.0	4.1	0.2	36.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	10,465	35.7	19,525	12.0	-1,474	-5.9	20,999	15.3	-7.6
Second Quintile	8,708	29.7	45,103	23.1	4,318	14.4	40,785	24.7	9.6
Middle Quintile	5,571	19.0	74,368	24.4	12,788	27.3	61,580	23.8	17.2
Fourth Quintile	3,097	10.6	109,128	19.9	23,216	27.6	85,911	18.5	21.3
Top Quintile	1,386	4.7	256,613	20.9	68,524	36.5	188,089	18.1	26.7
All	29,354	100.0	57,903	100.0	8,877	100.0	49,026	100.0	15.3
Addendum									
80-90	843	2.9	166,102	8.2	40,901	13.2	125,201	7.3	24.6
90-95	288	1.0	216,482	3.7	55,725	6.2	160,757	3.2	25.7
95-99	214	0.7	360,979	4.6	95,193	7.8	265,786	4.0	26.4
Top 1 Percent	42	0.1	1,823,813	4.5	577,177	9.3	1,246,635	3.6	31.7
Top 0.1 Percent	3	0.0	8,551,029	1.7	3,076,617	4.1	5,474,412	1.3	36.0

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 additional 0.9 percent HI tax on earnings 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% \$16,414; 40% \$30,982; 60% \$50,893; 80% \$82,426; 90% \$113,847; 95% \$159,996; 99% \$402,820; 99.9% \$1,874,628.

(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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	-1.5	0.0	-10.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.5	0.0	10.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.5	0.0	17.4
Fourth Quintile	0.0	0.3	0.0	0.1	0	0.0	-0.1	21.3	0.0	21.7
Top Quintile	0.0	31.1	-0.3	99.8	763	0.7	0.2	66.1	0.2	28.1
All	0.0	5.5	-0.1	100.0	132	0.4	0.0	100.0	0.1	22.7
Addendum										
80-90	0.0	5.5	0.0	0.7	9	0.0	-0.1	17.3	0.0	24.3
90-95	0.0	47.3	-0.1	6.7	279	0.4	0.0	8.3	0.1	25.6
95-99	0.0	76.6	-0.4	35.8	1,363	0.9	0.1	16.9	0.3	28.4
Top 1 Percent	0.0	80.8	-0.5	56.7	8,683	1.1	0.1	23.6	0.3	32.7
Top 0.1 Percent	0.0	84.1	-0.5	19.4	33,289	0.9	0.0	10.0	0.3	35.8

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	11,454	21.3	20,883	3.3	-2,183	-1.5	23,065	4.7	-10.5	
Second Quintile	11,288	21.0	51,488	8.0	5,137	3.5	46,351	9.3	10.0	
Middle Quintile	10,923	20.3	91,303	13.8	15,838	10.6	75,465	14.7	17.4	
Fourth Quintile	10,554	19.6	152,768	22.2	33,117	21.4	119,651	22.5	21.7	
Top Quintile	9,307	17.3	414,883	53.2	115,923	65.9	298,959	49.5	27.9	
All	53,847	100.0	134,720	100.0	30,397	100.0	104,323	100.0	22.6	
Addendum										
80-90	5,278	9.8	221,619	16.1	53,901	17.4	167,718	15.8	24.3	
90-95	1,696	3.2	313,970	7.3	80,221	8.3	233,749	7.1	25.6	
95-99	1,868	3.5	522,691	13.5	147,307	16.8	375,384	12.5	28.2	
Top 1 Percent	465	0.9	2,545,464	16.3	824,705	23.4	1,720,759	14.2	32.4	
Top 0.1 Percent	42	0.1	11,001,478	6.3	3,904,233	9.9	7,097,244	5.3	35.5	

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 additional 0.9 percent HI tax on earnings 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% \$16,414; 40% \$30,982; 60% \$50,893; 80% \$82,426; 90% \$113,847; 95% \$159,996; 99% \$402,820; 99.9% \$1,874,628.

(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 T12-0117
Health Reform Act's Additional 0.9 Percent HI Tax on Earnings
Baseline: Current Policy
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2022 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	1.2	0.0	2.1
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.3	0.0	6.6
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	13.9	0.0	13.8
Top Quintile	0.0	2.6	0.0	99.8	83	0.1	0.0	79.4	0.0	24.5
All	0.0	0.4	0.0	100.0	14	0.1	0.0	100.0	0.0	17.3
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	12.8	0.0	17.5
90-95	0.0	0.2	0.0	0.1	0	0.0	0.0	13.2	0.0	20.3
95-99	0.0	6.4	0.0	13.2	50	0.1	0.0	20.9	0.0	24.6
Top 1 Percent	0.0	22.3	-0.1	86.5	1,322	0.2	0.1	32.6	0.1	32.1
Top 0.1 Percent	0.0	40.1	-0.2	45.1	7,052	0.3	0.0	15.4	0.1	37.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2022 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	8,770	18.9	14,874	3.1	114	0.1	14,760	3.7	0.8	
Second Quintile	12,942	27.9	31,170	9.6	659	1.2	30,511	11.4	2.1	
Middle Quintile	9,813	21.2	59,886	14.0	3,942	5.3	55,944	15.8	6.6	
Fourth Quintile	7,152	15.4	102,673	17.5	14,152	13.9	88,521	18.2	13.8	
Top Quintile	7,674	16.5	306,360	56.0	75,048	79.3	231,312	51.1	24.5	
All	46,392	100.0	90,561	100.0	15,648	100.0	74,913	100.0	17.3	
Addendum										
80-90	3,390	7.3	155,804	12.6	27,324	12.8	128,480	12.5	17.5	
90-95	2,205	4.8	213,356	11.2	43,396	13.2	169,960	10.8	20.3	
95-99	1,662	3.6	370,708	14.7	91,163	20.9	279,545	13.4	24.6	
Top 1 Percent	417	0.9	1,766,109	17.5	566,333	32.5	1,199,776	14.4	32.1	
Top 0.1 Percent	41	0.1	7,377,022	7.2	2,745,717	15.4	4,631,305	5.4	37.2	

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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