

Table T12-0122
Projected Number of Taxpayers Subject to Health Reform Act's Additional 0.9 Percent HI Tax on Earnings and
3.8 Percent Unearned Income Medicare Contribution (thousands of tax units) ¹

	Calendar Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
All tax units ²	166,272	167,479	168,946	170,508	171,902	173,293	174,680	176,061	177,436	178,798
Number subject to 0.9% additional HI tax on earnings	2,615	2,876	3,253	3,585	3,782	4,006	4,283	4,561	4,869	5,313
Number subject to 3.8% unearned income Medicare contribution	3,683	4,211	4,712	5,310	5,702	6,007	6,285	6,592	7,057	7,452
Addendum										
Number subject to both taxes	2,248	2,483	2,792	3,128	3,367	3,539	3,720	3,902	4,165	4,480
Tax units subject to one or both taxes										
Number	4,051	4,604	5,172	5,767	6,117	6,473	6,847	7,252	7,762	8,285
As percent of all tax units	2.4	2.7	3.1	3.4	3.6	3.7	3.9	4.1	4.4	4.6

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

1. Baseline is current law. The additional HI tax of 0.9 percent applies to earnings received in excess of the threshold amount. However, unlike the general 1.45 percent HI tax, this additional tax is on the combined wages of the employee and the employee's spouse, in the case of a joint return. The unearned income Medicare contribution equals 3.8 percent of the lesser of net investment income or the excess of modified adjusted gross income over the threshold amount. Modified adjusted gross income is adjusted gross income increased by the amount excluded from income as foreign earned income under section 911(a)(1) (net of the deductions and exclusions disallowed with respect to the foreign earned income). Investment income is the sum of (i) gross income from interest, dividends, annuities, royalties, and rents (other than income derived from any trade or business to which the tax does not apply), (ii) other gross income derived from any business to which the tax applies, and (iii) net gain (to the extent taken into account in computing taxable income) attributable to the disposition of property other than property held in a trade or business to which the tax does not apply. In the case of a trade or business, the tax applies if the trade or business is a passive activity with respect to the taxpayer or the trade or business consists of trading financial instruments or commodities (as defined in section 475(e)(2)). The tax does not apply to other trades or businesses conducted by a sole proprietor, partnership, or S corporation. The threshold amount is \$250,000 in the case of a joint return or surviving spouse, \$125,000 in the case of a married individual filing a separate return, and \$200,000 in any other case. The threshold is not indexed for inflation.

2. Does not include those who are dependents of other tax units.