

T11-0292

Option 1: Immediate Full Enactment

Benefits from Mortgage Interest Deduction and 15-Percent Non-Refundable Credit, 2015 ¹

Baseline: Current Law

Cash Income Level (thousands of 2011 dollars)	Tax Units (thousands) ³	Current Mortgage Interest Deduction				Proposal: 15 Percent Non-refundable Credit ²			
		Tax Units with Benefit		Average Benefit (dollars)		Tax Units with Benefit		Average Benefit (dollars)	
		Number (thousands)	Percent within Class	All Tax Units	Tax Units with Benefit	Number (thousands)	Percent within Class	All Tax Units	Tax Units with Benefit
Less than 10	18,828	0	0.0	0	0	0	0.0	0	41
10-20	26,753	214	0.8	3	416	1,043	3.9	9	232
20-30	20,164	665	3.3	24	716	2,500	12.4	53	429
30-40	16,562	1,457	8.8	67	765	4,588	27.7	145	524
40-50	13,738	2,459	17.9	180	1,005	5,427	39.5	285	721
50-75	24,031	7,762	32.3	509	1,573	12,184	50.7	492	972
75-100	14,893	7,238	48.6	1,164	2,395	8,489	57.0	771	1,353
100-125	10,050	5,829	58.0	1,753	3,023	6,221	61.9	987	1,594
125-150	6,907	4,421	64.0	2,243	3,506	4,538	65.7	1,173	1,786
150-175	4,215	2,807	66.6	2,703	4,057	2,841	67.4	1,321	1,960
175-200	2,715	1,917	70.6	3,257	4,613	1,925	70.9	1,363	1,922
200-500	7,059	4,532	64.2	4,034	6,278	4,560	64.6	1,397	2,161
500-1,000	1,187	613	51.6	4,950	9,598	617	52.0	1,299	2,497
More than 1,000	603	204	33.9	3,720	10,972	212	35.2	948	2,691
All	168,946	40,209	23.8	732	3,080	55,077	32.6	416	1,273

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Estimates assume that taxpayers would adjust their investment portfolios and optimally pay down their mortgage balance if their tax benefit from mortgage interest were reduced.

(2) Proposal would replace mortgage interest deduction with a 15% non-refundable credit for mortgage interest and limit this credit to the first \$500,000 of a mortgage on primary residence only.

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units.