

**Table T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums,**  
**and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Summary Table**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units with Tax Increase or Cut <sup>3</sup>				Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut		With Tax Increase					Change (%) Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Less than 10	0.0	0	0.0	0	0.0	0.0	0	0.0	2.9
10-20	0.0	0	0.0	0	0.0	0.0	0	0.0	1.6
20-30	0.0	0	0.0	0	0.0	0.0	0	0.0	6.7
30-40	0.0	0	0.0	0	0.0	0.0	0	0.0	11.5
40-50	0.0	0	0.1	717	0.0	0.1	1	0.0	13.9
50-75	0.0	0	0.9	792	0.0	1.2	7	0.0	17.0
75-100	0.0	0	1.5	781	0.0	1.1	12	0.0	19.2
100-200	0.0	0	2.8	844	0.0	3.1	24	0.0	21.9
200-500	0.0	0	57.9	2,407	-0.7	43.0	1,393	0.5	26.5
500-1,000	0.0	0	89.7	2,985	-0.6	12.6	2,677	0.4	31.2
More than 1,000	0.0	0	87.9	15,848	-0.6	38.9	13,927	0.4	34.6
All	0.0	0	3.1	3,199	-0.2	100.0	98	0.1	21.1
Addendum <sup>6</sup>									
AGI above \$250K	0.0	0	91.0	4,728	-0.7	79.1	4,304	0.5	32.6
AGI above \$500K	0.0	0	88.8	8,440	-0.6	46.7	7,498	0.4	33.9
AGI above \$1M	0.0	0	89.4	17,241	-0.6	36.6	15,407	0.4	34.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 5.4

\* Less than 0.05

\*\* Insufficient data

(1) Calendar year. Baseline is current policy. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see

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

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.

(6) Adjusted gross income (AGI) values shown are for married couples filing a joint return (MFJ); the thresholds for single tax units are 80 percent of the MFJ amounts and the thresholds for heads of household are 90 percent of the MFJ amounts. The AGI thresholds are expressed in 2009 dollars.

**Table T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Less than 10</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	2.9
<b>10-20</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	1.6
<b>20-30</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	6.7
<b>30-40</b>	0.0	0.0	0.0	0.0	0	0.0	0.0	3.1	0.0	11.5
<b>40-50</b>	0.0	0.1	0.0	0.1	1	0.0	0.0	3.8	0.0	13.9
<b>50-75</b>	0.0	0.9	0.0	1.2	7	0.1	-0.1	11.7	0.0	17.0
<b>75-100</b>	0.0	1.5	0.0	1.1	12	0.1	-0.1	10.7	0.0	19.2
<b>100-200</b>	0.0	2.8	0.0	3.1	24	0.1	-0.2	25.5	0.0	21.9
<b>200-500</b>	0.0	57.9	-0.7	43.0	1,393	1.9	0.2	15.5	0.5	26.5
<b>500-1,000</b>	0.0	89.7	-0.6	12.6	2,677	1.3	0.0	6.7	0.4	31.2
<b>More than 1,000</b>	0.0	87.9	-0.6	38.9	13,927	1.2	0.1	21.3	0.4	34.6
<b>All</b>	0.0	3.1	-0.2	100.0	98	0.7	0.0	100.0	0.1	21.1
<b>Addendum <sup>6</sup></b>										
<b>AGI above \$250K</b>	0.0	91.0	-0.7	79.1	4,304	1.5	0.3	35.1	0.5	32.6
<b>AGI above \$500K</b>	0.0	88.8	-0.6	46.7	7,498	1.2	0.1	26.4	0.4	33.9
<b>AGI above \$1M</b>	0.0	89.4	-0.6	36.6	15,407	1.2	0.1	20.1	0.4	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
<b>Less than 10</b>	16,041	10.1	5,390	0.8	155	0.1	5,235	1.0	2.9
<b>10-20</b>	24,243	15.3	15,105	3.3	243	0.3	14,862	4.1	1.6
<b>20-30</b>	19,317	12.2	25,084	4.4	1,690	1.4	23,393	5.2	6.7
<b>30-40</b>	17,482	11.1	35,579	5.7	4,091	3.1	31,488	6.3	11.5
<b>40-50</b>	13,879	8.8	45,612	5.8	6,352	3.8	39,260	6.3	13.9
<b>50-75</b>	25,633	16.2	62,053	14.5	10,559	11.7	51,493	15.2	17.0
<b>75-100</b>	14,610	9.2	88,235	11.7	16,918	10.7	71,317	12.0	19.2
<b>100-200</b>	20,204	12.8	133,782	24.6	29,260	25.6	104,522	24.3	21.9
<b>200-500</b>	4,780	3.0	283,732	12.3	73,680	15.3	210,051	11.5	26.0
<b>500-1,000</b>	728	0.5	683,264	4.5	210,273	6.6	472,991	4.0	30.8
<b>More than 1,000</b>	433	0.3	3,295,487	13.0	1,127,085	21.2	2,168,402	10.8	34.2
<b>All</b>	158,260	100.0	69,527	100.0	14,576	100.0	54,950	100.0	21.0
<b>Addendum <sup>6</sup></b>									
<b>AGI above \$250K</b>	2,846	1.8	879,032	22.7	281,910	34.8	597,122	19.5	32.1
<b>AGI above \$500K</b>	965	0.6	1,871,518	16.4	627,076	26.2	1,244,442	13.8	33.5
<b>AGI above \$1M</b>	368	0.2	3,663,411	12.2	1,256,253	20.0	2,407,159	10.2	34.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

Number of AMT Taxpayers (millions). Baseline: 4.0

Proposal: 5.4

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.

(6) Adjusted gross income (AGI) values shown are for married couples filing a joint return (MFJ); the thresholds for single tax units are 80 percent of the MFJ amounts and the thresholds for heads of household are 90 percent of the MFJ amounts. The AGI thresholds are expressed in 2009 dollars.

**Table T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	6.8
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	2.7	0.0	6.3
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	5.7	0.0	11.5
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	8.8	0.0	15.1
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	9.4	0.0	18.7
50-75	0.0	0.4	0.0	0.1	0	0.0	-0.1	21.2	0.0	21.3
75-100	0.0	1.6	0.0	0.6	4	0.0	0.0	11.3	0.0	23.7
100-200	0.0	3.8	0.0	3.8	27	0.1	0.0	16.1	0.0	25.3
200-500	0.0	72.8	-0.6	37.4	1,267	1.5	0.1	8.5	0.4	29.1
500-1,000	0.0	78.8	-0.7	13.9	3,095	1.4	0.0	3.4	0.5	32.5
More than 1,000	0.0	78.2	-0.8	44.1	15,621	1.3	0.1	11.9	0.5	37.2
All	0.0	1.0	-0.1	100.0	27	0.3	0.0	100.0	0.1	20.3

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	12,280	17.1	5,327	2.3	361	0.8	4,966	2.7	6.8
10-20	16,353	22.7	14,997	8.7	951	2.7	14,046	10.2	6.3
20-30	11,329	15.7	24,885	10.0	2,872	5.7	22,013	11.1	11.5
30-40	9,396	13.0	35,554	11.9	5,371	8.8	30,183	12.6	15.1
40-50	6,306	8.8	45,513	10.2	8,523	9.4	36,991	10.4	18.7
50-75	9,292	12.9	61,373	20.2	13,089	21.3	48,283	20.0	21.3
75-100	3,125	4.3	87,575	9.7	20,711	11.3	66,865	9.3	23.7
100-200	2,763	3.8	132,172	13.0	33,376	16.2	98,796	12.1	25.3
200-500	581	0.8	286,777	5.9	82,236	8.4	204,541	5.3	28.7
500-1,000	89	0.1	684,999	2.2	219,379	3.4	465,620	1.8	32.0
More than 1,000	56	0.1	3,307,366	6.5	1,213,782	11.8	2,093,584	5.2	36.7
All	72,035	100.0	39,146	100.0	7,927	100.0	31,219	100.0	20.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	3.1
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	-1.5
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	1.2
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	0.5	0.0	5.4
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	1.1	0.0	7.7
50-75	0.0	0.0	0.0	0.0	0	0.0	-0.1	6.5	0.0	13.5
75-100	0.0	*	0.0	0.0	0	0.0	-0.1	9.9	0.0	17.6
100-200	0.0	1.4	0.0	1.1	8	0.0	-0.2	29.6	0.0	21.2
200-500	0.0	54.6	-0.7	46.2	1,402	1.9	0.2	18.7	0.5	26.0
500-1,000	0.0	91.5	-0.6	13.2	2,630	1.3	0.0	8.2	0.4	31.0
More than 1,000	0.0	89.7	-0.6	39.5	13,470	1.2	0.1	25.2	0.4	34.3
All	0.0	5.5	-0.2	100.0	202	0.8	0.0	100.0	0.2	22.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,457	2.4	4,559	0.1	140	0.0	4,419	0.1	3.1
10-20	2,877	4.7	15,669	0.6	-238	0.0	15,908	0.8	-1.5
20-30	3,317	5.5	25,449	1.2	315	0.1	25,134	1.5	1.2
30-40	4,027	6.6	35,715	2.0	1,934	0.5	33,781	2.5	5.4
40-50	4,740	7.8	45,931	3.1	3,539	1.1	42,393	3.6	7.7
50-75	12,272	20.2	62,784	10.9	8,465	6.6	54,319	12.1	13.5
75-100	10,124	16.7	88,587	12.7	15,607	10.0	72,979	13.4	17.6
100-200	16,567	27.3	134,301	31.4	28,428	29.9	105,873	31.8	21.2
200-500	4,043	6.7	283,374	16.2	72,191	18.5	211,183	15.5	25.5
500-1,000	616	1.0	683,221	5.9	209,184	8.2	474,038	5.3	30.6
More than 1,000	360	0.6	3,245,436	16.5	1,099,512	25.1	2,145,923	14.0	33.9
All	60,744	100.0	116,746	100.0	25,963	100.0	90,783	100.0	22.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-2.0	0.0	-16.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-8.3	0.0	-13.2
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.8	0.0	-1.9
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	8.9	0.0	8.0
40-50	0.0	0.0	0.0	0.0	0	0.0	-0.1	13.2	0.0	13.2
50-75	0.0	*	0.0	0.1	0	0.0	-0.1	33.3	0.0	17.5
75-100	0.0	1.6	0.0	2.5	10	0.1	-0.1	17.8	0.0	19.9
100-200	0.0	13.0	-0.2	22.5	144	0.5	0.0	19.6	0.1	23.7
200-500	0.0	91.5	-0.8	42.8	1,730	2.3	0.1	7.9	0.6	27.6
500-1,000	0.0	83.7	-0.5	6.7	2,132	1.1	0.0	2.6	0.3	29.9
More than 1,000	0.0	82.4	-0.6	25.4	12,425	1.2	0.1	8.8	0.4	33.2
All	0.0	1.1	-0.1	100.0	20	0.4	0.0	100.0	0.1	12.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,173	9.4	6,307	1.5	-1,025	-2.0	7,332	2.0	-16.3
10-20	4,761	20.6	15,129	7.8	-1,996	-8.3	17,125	10.1	-13.2
20-30	4,367	18.9	25,305	12.0	-476	-1.8	25,781	13.9	-1.9
30-40	3,599	15.6	35,454	13.8	2,822	8.9	32,631	14.5	8.0
40-50	2,531	11.0	45,338	12.4	5,961	13.2	39,377	12.3	13.2
50-75	3,553	15.4	61,312	23.6	10,732	33.5	50,580	22.2	17.5
75-100	1,170	5.1	87,387	11.1	17,347	17.8	70,040	10.1	19.9
100-200	734	3.2	129,043	10.3	30,385	19.6	98,658	8.9	23.6
200-500	117	0.5	280,322	3.5	75,524	7.7	204,798	3.0	26.9
500-1,000	15	0.1	673,865	1.1	199,235	2.6	474,630	0.9	29.6
More than 1,000	10	0.0	3,141,640	3.3	1,029,600	8.7	2,112,040	2.5	32.8
All	23,101	100.0	40,006	100.0	4,932	100.0	35,073	100.0	12.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

\* Less than 0.05

(1) Calendar year. Baseline is current policy. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.4	0.0	-18.5
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.6	0.0	-16.3
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	-0.7	0.0	-4.8
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.0	0.0	5.3
40-50	0.0	0.2	0.0	0.1	1	0.0	0.0	2.1	0.0	10.4
50-75	0.0	1.1	0.0	1.2	11	0.1	-0.1	9.2	0.0	15.6
75-100	0.0	0.6	0.0	0.5	6	0.0	-0.1	11.1	0.0	18.4
100-200	0.0	2.1	0.0	3.0	25	0.1	-0.2	29.7	0.0	21.4
200-500	0.0	63.7	-0.9	51.4	1,812	2.5	0.3	18.7	0.6	26.5
500-1,000	0.0	94.4	-0.6	11.3	2,615	1.3	0.0	8.0	0.4	30.9
More than 1,000	0.0	92.6	-0.6	32.6	13,471	1.3	0.1	22.8	0.4	34.0
All	0.0	4.6	-0.2	100.0	159	0.9	0.0	100.0	0.2	20.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,962	5.9	5,794	0.4	-1,072	-0.4	6,866	0.6	-18.5
10-20	5,804	11.6	15,260	2.0	-2,481	-1.6	17,740	2.9	-16.3
20-30	5,335	10.6	25,332	3.1	-1,219	-0.7	26,551	4.0	-4.8
30-40	4,816	9.6	35,564	3.9	1,901	1.0	33,663	4.6	5.3
40-50	4,037	8.1	45,576	4.2	4,743	2.1	40,833	4.7	10.4
50-75	8,599	17.2	62,528	12.2	9,766	9.3	52,762	12.9	15.6
75-100	6,206	12.4	88,416	12.5	16,215	11.2	72,201	12.8	18.3
100-200	9,390	18.7	134,200	28.6	28,739	29.9	105,462	28.3	21.4
200-500	2,258	4.5	283,593	14.5	73,345	18.4	210,248	13.5	25.9
500-1,000	345	0.7	680,629	5.3	207,914	7.9	472,715	4.7	30.6
More than 1,000	193	0.4	3,158,341	13.8	1,060,441	22.7	2,097,901	11.6	33.6
All	50,150	100.0	87,888	100.0	17,985	100.0	69,903	100.0	20.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

\* 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. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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 T12-0380**  
**Limit Itemized Deductions Except Charitable Contributions, Tax-Exempt Health Insurance Premiums, and Tax-Exempt Bond Interest to 28 Percent**  
**Baseline: Current Policy**  
**Distribution of Federal Tax Change by Cash Income Level, 2013 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Percent of Tax Units <sup>3</sup>		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>5</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	1.3
10-20	0.0	0.0	0.0	0.0	0	0.0	0.0	0.2	0.0	0.7
20-30	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	2.4
30-40	0.0	0.0	0.0	0.0	0	0.0	0.0	1.5	0.0	3.9
40-50	0.0	0.0	0.0	0.0	0	0.0	0.0	2.3	0.0	5.5
50-75	0.0	0.3	0.0	0.1	1	0.0	-0.1	8.6	0.0	9.1
75-100	0.0	1.9	0.0	0.5	4	0.0	-0.1	8.6	0.0	13.0
100-200	0.0	4.9	0.0	2.6	18	0.1	-0.1	22.9	0.0	17.8
200-500	0.0	44.2	-0.4	30.2	805	1.2	0.1	18.0	0.3	24.8
500-1,000	0.0	77.9	-0.6	16.6	2,873	1.3	0.1	8.5	0.4	31.5
More than 1,000	0.0	76.5	-0.7	50.1	14,102	1.2	0.2	28.5	0.4	35.9
All	0.0	2.5	-0.1	100.0	73	0.7	0.0	100.0	0.1	16.4

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Level, 2013 <sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>5</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	2,099	6.0	6,146	0.6	78	0.0	6,068	0.7	1.3
10-20	7,199	20.5	15,399	4.8	107	0.2	15,291	5.7	0.7
20-30	4,736	13.5	24,906	5.1	604	0.8	24,301	5.9	2.4
30-40	4,155	11.8	35,411	6.4	1,388	1.5	34,023	7.3	3.9
40-50	3,401	9.7	45,731	6.7	2,502	2.3	43,229	7.6	5.5
50-75	5,792	16.5	61,846	15.5	5,614	8.7	56,232	16.8	9.1
75-100	2,864	8.2	87,420	10.8	11,381	8.7	76,039	11.2	13.0
100-200	3,657	10.4	133,081	21.0	23,649	23.0	109,432	20.7	17.8
200-500	962	2.7	285,711	11.9	69,988	17.9	215,722	10.7	24.5
500-1,000	148	0.4	687,513	4.4	213,977	8.4	473,536	3.6	31.1
More than 1,000	91	0.3	3,301,216	13.0	1,170,684	28.4	2,130,533	10.0	35.5
All	35,135	100.0	65,837	100.0	10,692	100.0	55,145	100.0	16.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

\* 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. Proposal would limit the tax benefit of all itemized deductions except charitable contributions, tax-exempt health insurance premiums, and tax-exempt bond interest to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. 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) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(4) 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.

(5) 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.