

Table T13-0207
Benefits of Mortgage Interest and Property Tax Deductions
Distribution by Expanded Cash Income Percentile Adjusted for Family Size, 2015

Panel A. Average Percent Change in After-Tax Income from Allowing Mortgage Interest Deduction, 2015^{1,2}

Expanded Cash Income Percentile ^{3,4}	Single Tax Units	Married Tax Units Filing Jointly	Head of Household Tax Units	Tax Units with Dependent Children	Tax Units with Head or Spouse Age 65 or Older	All Tax Units
Lowest Quintile	0.0	0.0	0.0	0.0	0.0	0.0
Second Quintile	0.1	0.1	0.1	0.1	0.0	0.1
Middle Quintile	0.2	0.3	0.4	0.5	0.1	0.3
Fourth Quintile	0.6	0.7	0.9	1.0	0.3	0.7
Top Quintile	1.0	1.0	1.4	1.3	0.4	1.0
All	0.6	0.8	0.5	0.9	0.3	0.7

Panel B. Average Percent Change in After-Tax Income from Allowing Property Tax Deduction, 2015^{1,5}

Expanded Cash Income Percentile ^{3,4}	Single Tax Units	Married Tax Units Filing Jointly	Head of Household Tax Units	Tax Units with Dependent Children	Tax Units with Head or Spouse Age 65 or Older	All Tax Units
Lowest Quintile	0.0	0.0	0.0	0.0	0.0	0.0
Second Quintile	0.0	0.0	0.0	0.0	0.0	0.0
Middle Quintile	0.1	0.1	0.1	0.2	0.1	0.1
Fourth Quintile	0.3	0.3	0.3	0.4	0.2	0.3
Top Quintile	0.5	0.4	0.4	0.4	0.4	0.4
All	0.3	0.3	0.2	0.3	0.3	0.3

Panel C. Average Percent Change in After-Tax Income from Allowing the Deduction of Mortgage Interest and Property Taxes Paid, 2015^{1,6}

Expanded Cash Income Percentile ^{3,4}	Single Tax Units	Married Tax Units Filing Jointly	Head of Household Tax Units	Tax Units with Dependent Children	Tax Units with Head or Spouse Age 65 or Older	All Tax Units
Lowest Quintile	0.0	0.0	0.0	0.0	0.0	0.0
Second Quintile	0.1	0.1	0.1	0.1	0.0	0.1
Middle Quintile	0.2	0.4	0.4	0.5	0.1	0.3
Fourth Quintile	0.8	0.8	1.1	1.1	0.4	0.8
Top Quintile	1.4	1.3	1.8	1.7	0.8	1.4
All	0.7	1.0	0.6	1.1	0.5	0.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-1).

(1) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax. For a description of TPC's current law baseline, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Baseline is current law with the deduction for mortgage interest paid disallowed. Proposal would allow the deduction for mortgage interest paid.

(3) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(4) The 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 2013 dollars): 20% \$17,272; 40% \$31,839; 60% \$52,010; 80% \$82,156; 90% \$114,173; 95% \$160,278; 99% \$378,492; 99.9% \$2,000,458.

(5) Baseline is current law with the deduction for property taxes paid disallowed. Proposal would allow the deduction for property taxes paid.

(6) Baseline is current law with the deductions for mortgage interest and property taxes paid disallowed. Proposal would allow the deductions for mortgage interest and property taxes paid.