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Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018 ¹
Summary Table

Expanded 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 (%) Points)	Under the Proposal
	Pct of Tax Units	Avg Tax Cut	Pct of Tax Units	Avg Tax Increase					
Lowest Quintile	24.2	-321	22.0	847	-0.7	-1.8	108	0.6	4.0
Second Quintile	57.7	-799	28.0	787	0.6	3.3	-241	-0.6	7.6
Middle Quintile	75.1	-1,947	22.5	1,115	1.9	14.9	-1,210	-1.6	12.6
Fourth Quintile	80.7	-3,370	18.8	1,717	2.3	24.3	-2,402	-1.9	15.4
Top Quintile	81.3	-9,882	18.6	7,692	2.3	58.8	-6,646	-1.7	24.2
All	59.3	-3,412	22.3	1,831	2.0	100.0	-1,622	-1.6	18.6
Addendum									
80-90	81.6	-5,364	18.4	3,280	2.4	16.7	-3,773	-2.0	17.7
90-95	84.5	-8,243	15.5	5,782	2.8	13.4	-6,078	-2.2	19.4
95-99	78.1	-7,749	21.8	9,006	1.2	7.3	-4,144	-0.9	23.7
Top 1 Percent	76.6	-74,535	23.4	43,070	2.8	21.4	-47,475	-1.8	31.7
Top 0.1 Percent	93.6	-350,242	6.5	623,574	3.8	13.4	-289,562	-2.4	33.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 5.4

Proposal: 0

* Less than 0.05

** Insufficient data

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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>

(3) 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 breaks are (in 2013 dollars): 20% \$25,855; 40% \$50,154; 60% \$86,473; 80% \$147,242; 90% \$213,341; 95% \$292,343; 99% \$700,314; 99.9% \$3,772,365.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2018 ¹
Detail Table

Expanded 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	24.2	22.0	-0.7	-1.8	108	19.4	0.2	0.9	0.6	4.0
Second Quintile	57.7	28.0	0.6	3.3	-241	-7.2	0.0	3.5	-0.6	7.6
Middle Quintile	75.1	22.5	1.9	14.9	-1,210	-11.5	-0.4	9.7	-1.6	12.6
Fourth Quintile	80.7	18.8	2.3	24.3	-2,402	-11.0	-0.6	16.5	-1.9	15.4
Top Quintile	81.3	18.6	2.3	58.8	-6,646	-6.7	0.8	69.2	-1.7	24.2
All	59.3	22.3	2.0	100.0	-1,622	-7.8	0.0	100.0	-1.6	18.6
Addendum										
80-90	81.6	18.4	2.4	16.7	-3,773	-9.9	-0.3	12.7	-2.0	17.7
90-95	84.5	15.5	2.8	13.4	-6,078	-10.2	-0.3	9.9	-2.2	19.4
95-99	78.1	21.8	1.2	7.3	-4,144	-3.8	0.7	15.7	-0.9	23.7
Top 1 Percent	76.6	23.4	2.8	21.4	-47,475	-5.5	0.7	30.9	-1.8	31.7
Top 0.1 Percent	93.6	6.5	3.8	13.4	-289,562	-6.8	0.2	15.3	-2.4	33.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	43,975	26.4	16,781	4.3	556	0.7	16,225	5.1	3.3	
Second Quintile	36,549	21.9	40,869	8.6	3,340	3.5	37,529	9.9	8.2	
Middle Quintile	33,285	19.9	74,074	14.2	10,556	10.1	63,518	15.2	14.3	
Fourth Quintile	27,399	16.4	125,655	19.8	21,757	17.1	103,898	20.5	17.3	
Top Quintile	23,954	14.4	385,686	53.2	99,814	68.4	285,872	49.3	25.9	
All	166,908	100.0	104,112	100.0	20,936	100.0	83,176	100.0	20.1	
Addendum										
80-90	11,983	7.2	193,247	13.3	37,971	13.0	155,276	13.4	19.7	
90-95	5,954	3.6	274,547	9.4	59,441	10.1	215,107	9.2	21.7	
95-99	4,796	2.9	447,069	12.3	109,924	15.1	337,145	11.7	24.6	
Top 1 Percent	1,220	0.7	2,577,467	18.1	864,724	30.2	1,712,743	15.1	33.6	
Top 0.1 Percent	125	0.1	11,931,764	8.6	4,238,413	15.2	7,693,350	6.9	35.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 5.4

Proposal: 0

* Less than 0.05

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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>

(3) 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 breaks are (in 2013 dollars): 20% \$25,855; 40% \$50,154; 60% \$86,473; 80% \$147,242; 90% \$213,341; 95% \$292,343; 99% \$700,314; 99.9% \$3,772,365.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹
Detail Table

Expanded 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	18.5	29.1	-1.1	-2.2	169	-230.04 [*]	0.2	0.1	1.1	0.6
Second Quintile	54.8	18.9	1.8	7.7	-596	-23.4	-0.4	2.1	-1.6	5.4
Middle Quintile	72.1	22.9	2.3	15.6	-1,293	-15.9	-0.7	6.9	-2.0	10.4
Fourth Quintile	77.3	21.7	1.9	19.8	-1,703	-9.3	-0.3	16.3	-1.6	15.3
Top Quintile	81.1	18.8	2.1	58.6	-5,198	-6.2	1.2	74.3	-1.6	24.0
All	59.3	22.3	2.0	100.0	-1,622	-7.8	0.0	100.0	-1.6	18.6
Addendum										
80-90	85.3	14.5	2.5	19.0	-3,309	-10.2	-0.4	14.1	-2.0	17.8
90-95	84.3	15.6	2.5	12.9	-4,681	-9.1	-0.2	10.8	-2.0	19.6
95-99	68.7	31.2	0.9	5.7	-2,512	-2.7	0.9	17.4	-0.7	23.7
Top 1 Percent	70.9	29.0	2.6	21.1	-39,541	-5.2	0.9	32.0	-1.8	31.6
Top 0.1 Percent	92.5	7.5	3.7	13.7	-254,735	-6.7	0.2	16.0	-2.4	33.2

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	35,598	21.3	15,882	3.3	-73	-0.1	15,955	4.1	-0.5	
Second Quintile	34,827	20.9	36,339	7.3	2,544	2.5	33,795	8.5	7.0	
Middle Quintile	32,714	19.6	65,541	12.3	8,132	7.6	57,409	13.5	12.4	
Fourth Quintile	31,487	18.9	109,317	19.8	18,413	16.6	90,904	20.6	16.8	
Top Quintile	30,536	18.3	326,223	57.3	83,611	73.1	242,612	53.4	25.6	
All	166,908	100.0	104,112	100.0	20,936	100.0	83,176	100.0	20.1	
Addendum										
80-90	15,529	9.3	164,915	14.7	32,576	14.5	132,339	14.8	19.8	
90-95	7,455	4.5	237,106	10.2	51,218	10.9	185,888	10.0	21.6	
95-99	6,109	3.7	387,549	13.6	94,196	16.5	293,353	12.9	24.3	
Top 1 Percent	1,444	0.9	2,261,505	18.8	754,866	31.2	1,506,639	15.7	33.4	
Top 0.1 Percent	145	0.1	10,670,845	8.9	3,792,107	15.8	6,878,737	7.2	35.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 5.4 Proposal: 0

* Less than 0.05

^{*} Because baseline federal tax is negative for this income class, percentage change in tax can be misleading.

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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>

(3) 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% \$17,815; 40% \$33,020; 60% \$55,220; 80% \$88,929; 90% \$126,013; 95% \$174,912; 99% \$421,637; 99.9% \$2,279,315.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹
Detail Table - Single Tax Units

Expanded 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	18.5	10.9	-0.3	-3.8	32	4.8	0.1	2.0	0.3	5.7
Second Quintile	49.1	12.3	0.1	3.6	-36	-1.4	0.1	6.1	-0.1	9.0
Middle Quintile	65.7	27.4	0.1	3.3	-43	-0.7	0.2	11.6	-0.1	13.1
Fourth Quintile	78.7	20.0	1.2	49.0	-749	-5.1	-0.6	21.8	-1.0	17.7
Top Quintile	68.0	31.8	0.7	47.5	-1,023	-1.9	0.3	58.3	-0.5	25.4
All	49.9	18.1	0.6	100.0	-243	-2.3	0.0	100.0	-0.4	18.4
Addendum										
80-90	84.1	15.7	2.3	55.1	-2,109	-8.5	-1.0	14.2	-1.8	19.4
90-95	67.6	32.2	0.2	2.0	-185	-0.5	0.2	9.3	-0.1	22.6
95-99	20.5	79.4	-2.0	-34.2	4,240	6.3	1.1	13.9	1.5	26.1
Top 1 Percent	47.6	52.3	1.5	24.7	-14,539	-2.8	-0.1	20.9	-1.0	33.7
Top 0.1 Percent	89.0	11.1	3.4	25.9	-160,595	-5.6	-0.4	10.5	-2.1	35.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	21,299	28.7	12,261	6.4	671	1.9	11,589	7.5	5.5	
Second Quintile	18,210	24.5	27,762	12.4	2,532	6.0	25,230	13.9	9.1	
Middle Quintile	13,870	18.7	47,925	16.3	6,323	11.4	41,603	17.5	13.2	
Fourth Quintile	11,793	15.9	78,166	22.6	14,613	22.4	63,553	22.7	18.7	
Top Quintile	8,372	11.3	205,746	42.3	53,278	58.0	152,468	38.6	25.9	
All	74,338	100.0	54,810	100.0	10,344	100.0	44,466	100.0	18.9	
Addendum										
80-90	4,713	6.3	116,366	13.5	24,676	15.1	91,690	13.1	21.2	
90-95	1,900	2.6	162,565	7.6	36,927	9.1	125,638	7.2	22.7	
95-99	1,454	2.0	275,058	9.8	67,641	12.8	207,418	9.1	24.6	
Top 1 Percent	306	0.4	1,522,576	11.4	527,591	21.0	994,985	9.2	34.7	
Top 0.1 Percent	29	0.0	7,650,140	5.5	2,884,061	10.9	4,766,079	4.2	37.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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>

(3) 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% \$17,815; 40% \$33,020; 60% \$55,220; 80% \$88,929; 90% \$126,013; 95% \$174,912; 99% \$421,637; 99.9% \$2,279,315.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded 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	22.0	37.2	-1.0	-0.5	229	-53.47~	0.0	-0.1	1.0	-0.9
Second Quintile	65.5	14.3	3.4	5.7	-1,553	-49.2	-0.5	0.6	-3.2	3.3
Middle Quintile	81.5	13.6	3.4	14.0	-2,504	-26.1	-0.9	4.1	-3.0	8.6
Fourth Quintile	79.2	19.9	2.2	17.3	-2,469	-11.6	-0.4	13.6	-1.9	14.1
Top Quintile	88.0	11.9	2.5	63.0	-7,099	-7.4	1.7	81.5	-1.9	23.6
All	75.7	16.6	2.6	100.0	-3,604	-9.3	0.0	100.0	-2.0	19.5
Addendum										
80-90	87.6	12.3	2.6	17.1	-4,024	-11.0	-0.3	14.2	-2.1	17.1
90-95	92.7	7.3	3.1	14.7	-6,528	-11.5	-0.3	11.6	-2.5	18.8
95-99	86.1	13.9	1.5	9.3	-4,861	-4.7	0.9	19.3	-1.1	23.0
Top 1 Percent	77.8	22.2	2.9	21.9	-47,379	-5.8	1.4	36.4	-1.9	31.2
Top 0.1 Percent	93.7	6.3	3.9	13.3	-289,323	-7.2	0.4	17.7	-2.5	32.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	5,254	8.2	22,539	1.0	-428	-0.1	22,966	1.3	-1.9	
Second Quintile	8,555	13.3	48,912	3.6	3,159	1.1	45,753	4.3	6.5	
Middle Quintile	12,976	20.2	82,834	9.3	9,605	5.0	73,230	10.5	11.6	
Fourth Quintile	16,274	25.3	133,725	18.8	21,265	13.9	112,460	20.2	15.9	
Top Quintile	20,577	32.0	378,261	67.3	96,381	79.8	281,880	63.9	25.5	
All	64,328	100.0	179,821	100.0	38,627	100.0	141,194	100.0	21.5	
Addendum										
80-90	9,874	15.4	190,293	16.2	36,513	14.5	153,780	16.7	19.2	
90-95	5,204	8.1	266,985	12.0	56,708	11.9	210,276	12.1	21.2	
95-99	4,426	6.9	427,415	16.4	103,317	18.4	324,098	15.8	24.2	
Top 1 Percent	1,074	1.7	2,443,845	22.7	810,732	35.0	1,633,114	19.3	33.2	
Top 0.1 Percent	107	0.2	11,379,874	10.5	4,010,460	17.2	7,369,414	8.7	35.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

~ Because baseline federal tax is negative for this income class, percentage change in tax can be misleading.

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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>

(3) 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% \$17,815; 40% \$33,020; 60% \$55,220; 80% \$88,929; 90% \$126,013; 95% \$174,912; 99% \$421,637; 99.9% \$2,279,315.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹
Detail Table - Head of Household Tax Units

Expanded 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	14.4	69.8	-2.2	-37.9	504	-28.96 [~]	2.3	-7.4	2.4	-5.9
Second Quintile	53.6	41.4	2.0	53.1	-824	-47.9	-3.6	4.6	-1.9	2.1
Middle Quintile	62.1	37.1	2.5	68.1	-1,576	-17.1	-3.1	26.5	-2.2	10.8
Fourth Quintile	56.0	43.2	1.2	23.5	-1,037	-5.6	0.6	31.5	-1.0	16.5
Top Quintile	40.7	59.1	-0.6	-9.8	1,105	1.8	4.0	44.9	0.4	25.2
All	41.3	51.3	0.9	100.0	-464	-7.4	0.0	100.0	-0.8	10.4
Addendum										
80-90	53.9	45.8	-0.1	-0.5	98	0.3	1.1	13.9	0.1	21.0
90-95	22.5	77.5	-2.3	-7.1	3,870	8.0	1.1	7.6	1.8	24.2
95-99	10.1	89.7	-2.7	-9.2	6,926	8.3	1.4	9.6	2.0	26.4
Top 1 Percent	48.2	51.8	1.9	7.0	-26,061	-3.9	0.5	13.8	-1.3	31.3
Top 0.1 Percent	93.4	6.6	3.9	6.2	-270,042	-7.4	0.0	6.3	-2.6	32.1

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	8,701	34.8	20,809	12.9	-1,741	-9.7	22,550	15.8	-8.4	
Second Quintile	7,467	29.9	43,131	23.0	1,722	8.2	41,408	24.9	4.0	
Middle Quintile	5,010	20.0	71,308	25.5	9,238	29.6	62,070	25.0	13.0	
Fourth Quintile	2,623	10.5	105,541	19.8	18,424	30.9	87,118	18.4	17.5	
Top Quintile	1,025	4.1	251,880	18.4	62,419	40.8	189,462	15.6	24.8	
All	25,002	100.0	55,968	100.0	6,264	100.0	49,704	100.0	11.2	
Addendum										
80-90	628	2.5	152,905	6.9	32,078	12.9	120,827	6.1	21.0	
90-95	212	0.9	216,204	3.3	48,352	6.5	167,852	2.9	22.4	
95-99	153	0.6	342,424	3.8	83,479	8.2	258,944	3.2	24.4	
Top 1 Percent	31	0.1	2,042,887	4.6	665,669	13.3	1,377,218	3.5	32.6	
Top 0.1 Percent	3	0.0	10,599,564	2.0	3,675,701	6.3	6,923,863	1.5	34.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

[~] Because baseline federal tax is negative for this income class, percentage change in tax can be misleading.

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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

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(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

(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 expanded cash income.

Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
Detail Table - Tax Units with Children

Expanded 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	12.4	73.3	-2.4	-3.8	582	-27.14~	0.3	-1.6	2.6	-7.1
Second Quintile	63.7	31.9	3.7	10.7	-1,721	-81.7	-1.4	0.4	-3.5	0.8
Middle Quintile	82.0	17.6	5.0	22.8	-3,827	-33.8	-2.1	6.7	-4.3	8.5
Fourth Quintile	82.2	17.7	3.4	24.1	-4,114	-17.0	-0.8	17.8	-2.8	13.8
Top Quintile	86.6	13.4	2.9	45.5	-8,915	-8.2	4.1	76.5	-2.1	23.6
All	63.6	32.1	3.1	100.0	-3,337	-13.1	0.0	100.0	-2.5	16.7
Addendum										
80-90	87.8	12.2	3.6	16.3	-6,298	-14.6	-0.3	14.4	-2.9	16.9
90-95	89.9	10.1	3.2	10.2	-7,694	-11.6	0.2	11.8	-2.5	19.1
95-99	80.7	19.2	1.4	5.2	-5,525	-4.3	1.6	17.3	-1.1	23.8
Top 1 Percent	79.5	20.5	3.0	13.8	-55,925	-5.9	2.5	33.0	-2.0	31.6
Top 0.1 Percent	94.4	5.6	4.0	7.9	-331,824	-7.2	1.0	15.2	-2.6	32.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	11,525	21.9	22,125	3.7	-2,144	-1.8	24,269	5.0	-9.7	
Second Quintile	10,937	20.8	49,212	7.7	2,107	1.7	47,105	9.1	4.3	
Middle Quintile	10,461	19.9	88,210	13.2	11,319	8.8	76,891	14.2	12.8	
Fourth Quintile	10,282	19.5	145,779	21.4	24,239	18.6	121,539	22.1	16.6	
Top Quintile	8,970	17.0	421,275	54.0	108,309	72.5	312,966	49.7	25.7	
All	52,638	100.0	132,898	100.0	25,466	100.0	107,432	100.0	19.2	
Addendum										
80-90	4,551	8.7	218,525	14.2	43,215	14.7	175,310	14.1	19.8	
90-95	2,333	4.4	308,255	10.3	66,436	11.6	241,819	10.0	21.6	
95-99	1,654	3.1	512,135	12.1	127,564	15.7	384,571	11.3	24.9	
Top 1 Percent	433	0.8	2,812,786	17.4	944,064	30.5	1,868,722	14.3	33.6	
Top 0.1 Percent	42	0.1	12,988,293	7.7	4,591,593	14.3	8,396,700	6.2	35.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

~ Because baseline federal tax is negative for this income class, percentage change in tax can be misleading.

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Baseline is current policy. Proposal would: implement two-rate structure of 15 percent on taxable income up to \$87,850 (\$175,700 for married couples filing a joint return) and 35 percent on taxable income above that threshold; threshold would be indexed for inflation after 2013; repeal head of household filing status; repeal individual and corporate AMT; repeal standard deduction and all itemized deductions other than those for home mortgage interest and charitable contributions; restrict mortgage interest deduction to interest on first \$300,000 (unindexed) of acquisition debt; repeal personal exemption for the primary taxpayer and spouse; repeal ACA surtaxes of 0.9 percent on wages and 3.8 percent on net investment income; implement a personal credit of \$2,000 for singles (\$4,000 for married couples filing a joint return), indexed for inflation after 2013; implement an additional child tax credit of \$2,500 per child, which could offset individual income tax liability plus any Social Security and Medicare taxes in excess of the earned income tax credit; the \$2,500 per child amount would be indexed for inflation after 2013 and the credit would not phase out at higher incomes. Proposal would be effective 01/01/14.

(2) 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

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(3) 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% \$17,815; 40% \$33,020; 60% \$55,220; 80% \$88,929; 90% \$126,013; 95% \$174,912; 99% \$421,637; 99.9% \$2,279,315.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) 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.

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Table T15-0012
Sen. Mike Lee (R-UT)'s Tax Reform Plan: The Family Fairness and Opportunity Tax Reform Act
Baseline: Current Policy
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹
Detail Table - Elderly Tax Units

Expanded 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	4.1	3.6	-0.2	-0.6	26	23.7	0.0	0.1	0.2	0.9
Second Quintile	19.8	10.2	-0.1	-0.5	15	1.9	0.1	1.2	0.1	2.6
Middle Quintile	51.0	36.6	0.1	1.8	-50	-1.3	0.2	6.0	-0.1	6.8
Fourth Quintile	60.5	36.9	0.3	6.9	-263	-2.1	0.3	14.1	-0.3	12.6
Top Quintile	75.0	24.7	1.7	92.3	-3,799	-5.0	-0.6	78.3	-1.2	23.8
All	42.0	23.0	0.9	100.0	-700	-4.2	0.0	100.0	-0.8	16.9
Addendum										
80-90	77.0	22.6	1.5	21.6	-1,748	-7.2	-0.4	12.3	-1.2	15.6
90-95	77.6	22.2	1.6	15.1	-2,718	-6.6	-0.2	9.4	-1.3	18.4
95-99	66.7	33.2	0.7	9.4	-1,876	-2.3	0.4	17.7	-0.5	22.8
Top 1 Percent	77.6	22.4	2.5	46.1	-34,339	-5.0	-0.3	38.9	-1.7	31.9
Top 0.1 Percent	91.3	8.7	3.2	26.5	-192,869	-5.6	-0.3	19.7	-2.0	33.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2018 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		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	6,085	15.5	14,714	2.4	112	0.1	14,602	2.9	0.8	
Second Quintile	9,355	23.9	30,988	7.9	804	1.2	30,184	9.4	2.6	
Middle Quintile	9,631	24.6	57,084	15.0	3,940	5.9	53,144	17.0	6.9	
Fourth Quintile	7,223	18.4	95,666	18.9	12,336	13.8	83,330	19.9	12.9	
Top Quintile	6,668	17.0	306,253	55.7	76,633	78.9	229,620	50.7	25.0	
All	39,179	100.0	93,562	100.0	16,526	100.0	77,036	100.0	17.7	
Addendum										
80-90	3,395	8.7	143,539	13.3	24,158	12.7	119,381	13.4	16.8	
90-95	1,527	3.9	208,277	8.7	41,030	9.7	167,247	8.5	19.7	
95-99	1,377	3.5	349,541	13.1	81,634	17.4	267,906	12.2	23.4	
Top 1 Percent	369	0.9	2,048,306	20.6	688,492	39.2	1,359,814	16.6	33.6	
Top 0.1 Percent	38	0.1	9,557,536	9.8	3,432,956	20.0	6,124,581	7.6	35.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* 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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