

Click on PDF or Excel link above for additional tables containing more detail and breakdowns by filing status and demographic groups.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2025 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Tax Increase or Cut <sup>4</sup>				Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</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						
<b>Lowest Quintile</b>	0.4	-710	1.5	328	0.0	0.9	2	0.0	5.8	
<b>Second Quintile</b>	1.2	-1,027	6.3	489	0.0	7.0	19	0.0	9.3	
<b>Middle Quintile</b>	1.8	-987	15.0	575	-0.1	23.1	69	0.1	14.8	
<b>Fourth Quintile</b>	1.9	-1,250	20.8	587	-0.1	27.2	98	0.1	17.8	
<b>Top Quintile</b>	2.5	-942	28.0	736	-0.1	41.7	183	0.0	26.6	
<b>All</b>	1.4	-1,025	12.2	611	-0.1	100.0	60	0.1	20.8	
<b>Addendum</b>										
<b>80-90</b>	2.0	-1,092	26.4	663	-0.1	18.1	153	0.1	20.6	
<b>90-95</b>	2.9	-874	30.0	692	-0.1	10.4	182	0.1	22.0	
<b>95-99</b>	3.7	-750	30.0	824	-0.1	9.4	220	0.0	25.2	
<b>Top 1 Percent</b>	1.7	-1,280	28.3	1,371	0.0	3.9	367	0.0	34.0	
<b>Top 0.1 Percent</b>	1.4	-1,215	27.8	2,096	0.0	0.6	567	0.0	35.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

\* Less than 0.05

\*\* Insufficient data

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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

(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 2015 dollars): 20% \$26,106; 40% \$51,109; 60% \$87,706; 80% \$148,149; 90% \$217,364; 95% \$289,948; 99% \$848,445; 99.9% \$5,233,860.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2025 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.4	1.5	0.0	0.9	2	0.2	0.0	1.2	0.0	5.8
Second Quintile	1.2	6.3	0.0	7.0	19	0.4	0.0	3.9	0.0	9.3
Middle Quintile	1.8	15.0	-0.1	23.1	69	0.6	0.0	10.2	0.1	14.8
Fourth Quintile	1.9	20.8	-0.1	27.2	98	0.4	0.0	17.1	0.1	17.8
Top Quintile	2.5	28.0	-0.1	41.7	183	0.2	-0.1	67.5	0.0	26.6
All	1.4	12.2	-0.1	100.0	60	0.2	0.0	100.0	0.1	20.8
<b>Addendum</b>										
80-90	2.0	26.4	-0.1	18.1	153	0.3	0.0	13.3	0.1	20.6
90-95	2.9	30.0	-0.1	10.4	182	0.3	0.0	9.5	0.1	22.0
95-99	3.7	30.0	-0.1	9.4	220	0.2	0.0	14.0	0.0	25.2
Top 1 Percent	1.7	28.3	0.0	3.9	367	0.0	-0.1	30.8	0.0	34.0
Top 0.1 Percent	1.4	27.8	0.0	0.6	567	0.0	0.0	13.9	0.0	35.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	48,669	26.3	19,190	4.2	1,104	1.2	18,086	5.0	5.8	
Second Quintile	41,351	22.3	47,219	8.8	4,359	3.9	42,859	10.1	9.2	
Middle Quintile	37,234	20.1	85,283	14.3	12,517	10.1	72,765	15.4	14.7	
Fourth Quintile	30,885	16.7	143,389	20.0	25,428	17.1	117,961	20.8	17.7	
Top Quintile	25,475	13.8	459,244	52.8	122,137	67.6	337,108	48.9	26.6	
All	185,081	100.0	119,685	100.0	24,885	100.0	94,800	100.0	20.8	
<b>Addendum</b>										
80-90	13,166	7.1	226,014	13.4	46,332	13.2	179,683	13.5	20.5	
90-95	6,361	3.4	312,306	9.0	68,533	9.5	243,773	8.8	21.9	
95-99	4,754	2.6	538,991	11.6	135,728	14.0	403,263	10.9	25.2	
Top 1 Percent	1,193	0.6	3,500,010	18.8	1,190,786	30.8	2,309,224	15.7	34.0	
Top 0.1 Percent	123	0.1	14,927,152	8.3	5,225,160	14.0	9,701,992	6.8	35.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

\* Less than 0.05

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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(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 breaks are (in 2015 dollars): 20% \$26,106; 40% \$51,109; 60% \$87,706; 80% \$148,149; 90% \$217,364; 95% \$289,948; 99% \$848,445; 99.9% \$5,233,860.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.5	1.0	0.0	-0.1	0	0.0	0.0	0.6	0.0	3.6
Second Quintile	0.9	5.7	-0.1	6.7	19	0.5	0.0	3.0	0.0	8.5
Middle Quintile	1.5	13.2	-0.1	17.8	54	0.5	0.0	8.0	0.1	13.2
Fourth Quintile	2.0	19.5	-0.1	28.4	90	0.4	0.0	16.4	0.1	17.3
Top Quintile	2.2	24.8	-0.1	47.2	161	0.2	-0.1	71.8	0.0	26.3
All	1.4	12.2	-0.1	100.0	60	0.2	0.0	100.0	0.1	20.8
<b>Addendum</b>										
80-90	2.0	23.5	-0.1	20.3	134	0.4	0.0	14.2	0.1	20.3
90-95	2.5	25.5	-0.1	11.9	163	0.3	0.0	10.5	0.1	21.9
95-99	2.7	27.1	-0.1	10.9	191	0.2	0.0	15.7	0.0	25.0
Top 1 Percent	1.7	26.7	0.0	4.1	340	0.0	-0.1	31.4	0.0	33.8
Top 0.1 Percent	1.3	25.4	0.0	0.7	501	0.0	0.0	14.7	0.0	35.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	39,505	21.3	17,971	3.2	649	0.6	17,322	3.9	3.6	
Second Quintile	39,387	21.3	42,068	7.5	3,535	3.0	38,533	8.7	8.4	
Middle Quintile	36,886	19.9	76,069	12.7	9,976	8.0	66,093	13.9	13.1	
Fourth Quintile	35,060	18.9	125,307	19.8	21,541	16.4	103,767	20.7	17.2	
Top Quintile	32,777	17.7	385,137	57.0	100,947	71.8	284,189	53.1	26.2	
All	185,081	100.0	119,685	100.0	24,885	100.0	94,800	100.0	20.8	
<b>Addendum</b>										
80-90	16,913	9.1	191,297	14.6	38,720	14.2	152,577	14.7	20.2	
90-95	8,150	4.4	270,963	10.0	59,153	10.5	211,810	9.8	21.8	
95-99	6,354	3.4	455,153	13.1	113,538	15.7	341,616	12.4	24.9	
Top 1 Percent	1,360	0.7	3,152,919	19.4	1,066,486	31.5	2,086,433	16.2	33.8	
Top 0.1 Percent	146	0.1	13,310,828	8.8	4,661,479	14.8	8,649,348	7.2	35.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

Number of AMT Taxpayers (millions). Baseline: 4.8

Proposal: 4.8

\* Less than 0.05

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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(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 2015 dollars): 20% \$18,634; 40% \$34,593; 60% \$57,576; 80% \$92,404; 90% \$131,891; 95% \$177,584; 99% \$473,266; 99.9% \$2,972,922.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.4	1.4	0.0	0.4	1	0.1	0.0	2.7	0.0	8.7
Second Quintile	0.7	4.4	0.0	6.4	9	0.3	0.0	6.0	0.0	8.4
Middle Quintile	1.4	10.0	-0.1	18.8	33	0.4	0.0	12.8	0.1	13.3
Fourth Quintile	2.3	17.3	-0.1	35.5	80	0.5	0.0	21.7	0.1	18.3
Top Quintile	1.7	21.2	-0.1	38.7	123	0.2	-0.1	56.6	0.1	26.1
All	1.1	8.5	-0.1	100.0	35	0.3	0.0	100.0	0.1	18.7
<b>Addendum</b>										
80-90	1.8	19.9	-0.1	20.5	108	0.4	0.0	16.5	0.1	21.5
90-95	1.4	22.2	-0.1	9.0	138	0.3	0.0	8.2	0.1	22.5
95-99	1.6	24.2	-0.1	7.1	133	0.2	0.0	12.1	0.0	25.3
Top 1 Percent	1.3	21.8	0.0	2.1	274	0.0	-0.1	19.9	0.0	35.2
Top 0.1 Percent	1.3	21.9	0.0	0.4	417	0.0	0.0	10.6	0.0	35.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	24,763	26.9	13,760	5.7	1,193	2.7	12,567	6.5	8.7	
Second Quintile	23,726	25.7	33,423	13.4	2,782	6.0	30,640	15.1	8.3	
Middle Quintile	18,406	20.0	58,019	18.0	7,659	12.7	50,360	19.2	13.2	
Fourth Quintile	14,331	15.5	91,899	22.2	16,747	21.7	75,151	22.3	18.2	
Top Quintile	10,215	11.1	235,986	40.6	61,354	56.7	174,632	37.0	26.0	
All	92,243	100.0	64,324	100.0	11,992	100.0	52,332	100.0	18.6	
<b>Addendum</b>										
80-90	6,134	6.7	138,785	14.4	29,704	16.5	109,082	13.9	21.4	
90-95	2,096	2.3	191,685	6.8	43,002	8.2	148,683	6.5	22.4	
95-99	1,732	1.9	307,092	9.0	77,510	12.1	229,582	8.2	25.2	
Top 1 Percent	253	0.3	2,474,272	10.5	870,671	19.9	1,603,600	8.4	35.2	
Top 0.1 Percent	33	0.0	10,175,986	5.6	3,624,878	10.7	6,551,108	4.4	35.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

\* Less than 0.05

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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

(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 2015 dollars): 20% \$18,634; 40% \$34,593; 60% \$57,576; 80% \$92,404; 90% \$131,891; 95% \$177,584; 99% \$473,266; 99.9% \$2,972,922.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	0.3	0.0	0.0	0	0.0	0.0	0.1	0.0	2.9
Second Quintile	0.8	5.0	0.0	1.5	13	0.2	0.0	1.2	0.0	9.0
Middle Quintile	1.3	12.3	-0.1	8.5	43	0.3	0.0	4.6	0.0	12.6
Fourth Quintile	1.7	20.5	-0.1	25.6	90	0.4	0.0	13.5	0.1	16.5
Top Quintile	2.5	27.2	-0.1	64.4	183	0.2	0.0	80.5	0.0	26.3
All	1.7	17.7	-0.1	100.0	96	0.2	0.0	100.0	0.0	22.7
<b>Addendum</b>										
80-90	2.1	26.2	-0.1	24.9	153	0.3	0.0	13.7	0.1	19.8
90-95	3.0	27.4	-0.1	16.6	172	0.3	0.0	11.8	0.1	21.7
95-99	3.1	29.0	-0.1	16.5	221	0.2	0.0	18.0	0.0	24.9
Top 1 Percent	1.7	28.3	0.0	6.4	355	0.0	-0.1	37.0	0.0	33.6
Top 0.1 Percent	1.3	27.2	0.0	1.0	536	0.0	0.0	16.5	0.0	34.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	4,803	8.0	26,256	0.9	767	0.1	25,489	1.2	2.9	
Second Quintile	6,793	11.3	59,727	3.0	5,353	1.2	54,374	3.5	9.0	
Middle Quintile	11,346	18.9	99,658	8.3	12,505	4.6	87,153	9.4	12.6	
Fourth Quintile	16,388	27.3	154,257	18.5	25,339	13.4	128,919	20.0	16.4	
Top Quintile	20,294	33.7	467,478	69.6	122,713	80.5	344,765	66.3	26.3	
All	60,148	100.0	226,795	100.0	51,418	100.0	175,377	100.0	22.7	
<b>Addendum</b>										
80-90	9,402	15.6	227,834	15.7	44,876	13.6	182,958	16.3	19.7	
90-95	5,561	9.3	303,680	12.4	65,623	11.8	238,057	12.6	21.6	
95-99	4,295	7.1	521,692	16.4	129,829	18.0	391,863	16.0	24.9	
Top 1 Percent	1,036	1.7	3,297,315	25.0	1,106,236	37.1	2,191,079	21.5	33.6	
Top 0.1 Percent	103	0.2	14,303,111	10.8	4,982,710	16.5	9,320,401	9.1	34.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

\* Less than 0.05

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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

(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 2015 dollars): 20% \$18,634; 40% \$34,593; 60% \$57,576; 80% \$92,404; 90% \$131,891; 95% \$177,584; 99% \$473,266; 99.9% \$2,972,922.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.8	0.5	0.0	-1.0	-2	0.3	0.0	-2.8	0.0	-3.6
Second Quintile	1.6	10.1	-0.1	21.6	54	1.3	0.1	11.2	0.1	7.8
Middle Quintile	2.4	25.4	-0.2	42.6	139	1.2	0.1	25.3	0.2	13.9
Fourth Quintile	1.7	25.7	-0.1	26.7	151	0.6	0.0	28.6	0.1	18.1
Top Quintile	1.9	20.0	-0.1	10.2	133	0.2	-0.2	37.6	0.1	24.5
All	1.6	12.8	-0.1	100.0	70	0.7	0.0	100.0	0.1	14.0
<b>Addendum</b>										
80-90	1.9	22.3	-0.1	6.6	137	0.4	0.0	12.6	0.1	20.6
90-95	1.2	19.0	-0.1	2.6	156	0.3	0.0	6.7	0.1	23.1
95-99	2.5	11.4	0.0	0.6	56	0.1	0.0	6.9	0.0	24.2
Top 1 Percent	3.5	20.2	0.0	0.5	265	0.0	-0.1	11.4	0.0	33.1
Top 0.1 Percent	1.6	25.6	0.0	0.0	255	0.0	0.0	5.3	0.0	34.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	9,490	32.3	24,889	10.9	-894	-2.8	25,783	13.1	-3.6	
Second Quintile	8,291	28.2	52,634	20.1	4,048	11.1	48,586	21.5	7.7	
Middle Quintile	6,327	21.5	87,729	25.5	12,043	25.2	75,685	25.6	13.7	
Fourth Quintile	3,656	12.4	131,333	22.1	23,645	28.6	107,688	21.0	18.0	
Top Quintile	1,590	5.4	293,197	21.4	71,801	37.8	221,396	18.8	24.5	
All	29,417	100.0	73,913	100.0	10,270	100.0	63,643	100.0	13.9	
<b>Addendum</b>										
80-90	988	3.4	188,440	8.6	38,645	12.6	149,795	7.9	20.5	
90-95	345	1.2	257,001	4.1	59,218	6.8	197,784	3.7	23.0	
95-99	221	0.8	390,809	4.0	94,373	6.9	296,436	3.5	24.2	
Top 1 Percent	35	0.1	2,957,083	4.8	977,918	11.5	1,979,164	3.8	33.1	
Top 0.1 Percent	3	0.0	13,410,797	2.1	4,624,956	5.3	8,785,842	1.6	34.5	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

\* Less than 0.05

(1) Calendar Year. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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

(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 2015 dollars): 20% \$18,634; 40% \$34,593; 60% \$57,576; 80% \$92,404; 90% \$131,891; 95% \$177,584; 99% \$473,266; 99.9% \$2,972,922.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.7	0.7	0.0	-0.5	-2	0.3	0.0	-0.5	0.0	-3.1
Second Quintile	1.8	9.4	-0.1	8.7	41	0.8	0.0	2.8	0.1	8.6
Middle Quintile	2.2	23.2	-0.1	22.9	108	0.7	0.0	8.4	0.1	14.4
Fourth Quintile	2.8	30.8	-0.1	28.2	143	0.5	0.0	16.1	0.1	18.3
Top Quintile	3.9	33.9	-0.1	40.8	219	0.2	-0.1	73.0	0.0	27.3
All	2.2	18.7	-0.1	100.0	96	0.3	0.0	100.0	0.1	21.7
<b>Addendum</b>										
80-90	2.8	32.7	-0.1	17.5	183	0.3	0.0	13.6	0.1	20.9
90-95	5.5	35.0	-0.1	9.5	212	0.3	0.0	9.3	0.1	22.4
95-99	5.3	35.9	-0.1	9.3	260	0.2	0.0	15.7	0.0	26.4
Top 1 Percent	2.3	34.3	0.0	4.5	433	0.0	-0.1	34.4	0.0	34.0
Top 0.1 Percent	1.8	34.9	0.0	0.7	701	0.0	0.0	14.2	0.0	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	11,683	21.9	26,023	3.4	-811	-0.5	26,834	4.5	-3.1	
Second Quintile	10,902	20.5	58,305	7.2	4,957	2.8	53,348	8.4	8.5	
Middle Quintile	10,865	20.4	102,986	12.6	14,761	8.4	88,224	13.8	14.3	
Fourth Quintile	10,010	18.8	168,855	19.1	30,704	16.1	138,151	19.9	18.2	
Top Quintile	9,494	17.8	540,305	57.9	147,346	73.1	392,959	53.8	27.3	
All	53,254	100.0	166,283	100.0	35,942	100.0	130,341	100.0	21.6	
<b>Addendum</b>										
80-90	4,860	9.1	257,594	14.1	53,611	13.6	203,983	14.3	20.8	
90-95	2,276	4.3	349,509	9.0	78,084	9.3	271,425	8.9	22.3	
95-99	1,830	3.4	623,119	12.9	163,903	15.7	459,216	12.1	26.3	
Top 1 Percent	528	1.0	3,679,009	21.9	1,251,686	34.5	2,427,322	18.5	34.0	
Top 0.1 Percent	47	0.1	16,718,307	8.9	5,802,471	14.3	10,915,836	7.4	34.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

\* 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. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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

(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 2015 dollars): 20% \$18,634; 40% \$34,593; 60% \$57,576; 80% \$92,404; 90% \$131,891; 95% \$177,584; 99% \$473,266; 99.9% \$2,972,922.

(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); estate tax; and excise taxes.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, the estate tax, and excise taxes) as a percentage of average expanded cash income.

**Table T15-0095**  
**BPC Cadillac Tax Replacement Option**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	0.2	0.0	0.0	0	0.0	0.0	0.3	0.0	2.3
Second Quintile	0.5	0.3	0.0	-10.0	-5	-0.5	0.0	1.5	0.0	2.6
Middle Quintile	0.9	1.9	0.0	-4.8	-3	-0.1	0.0	5.4	0.0	6.3
Fourth Quintile	0.9	5.5	0.0	31.0	23	0.2	0.0	14.2	0.0	12.0
Top Quintile	1.2	13.2	0.0	83.5	82	0.1	0.0	78.2	0.0	25.7
All	0.7	3.5	0.0	100.0	14	0.1	0.0	100.0	0.0	17.3
<b>Addendum</b>										
80-90	1.3	10.8	0.0	30.3	55	0.2	0.0	12.5	0.0	16.9
90-95	0.9	15.7	0.0	22.7	89	0.2	0.0	10.0	0.0	19.7
95-99	1.4	15.8	0.0	19.5	113	0.1	0.0	13.4	0.0	23.5
Top 1 Percent	1.2	17.9	0.0	11.0	248	0.0	0.0	42.3	0.0	34.4
Top 0.1 Percent	1.1	21.3	0.0	2.4	341	0.0	0.0	24.1	0.0	35.5

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2025 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>5</sup>		Average Federal Tax Rate <sup>6</sup>	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,996	14.8	16,472	2.4	377	0.3	16,095	2.8	2.3	
Second Quintile	15,002	27.7	36,325	9.8	948	1.5	35,377	11.5	2.6	
Middle Quintile	12,609	23.3	66,071	15.0	4,130	5.4	61,941	17.0	6.3	
Fourth Quintile	10,122	18.7	112,380	20.5	13,484	14.2	98,896	21.8	12.0	
Top Quintile	7,840	14.5	374,299	52.8	95,978	78.2	278,321	47.5	25.6	
All	54,189	100.0	102,594	100.0	17,756	100.0	84,838	100.0	17.3	
<b>Addendum</b>										
80-90	4,211	7.8	168,626	12.8	28,426	12.4	140,200	12.8	16.9	
90-95	1,959	3.6	249,900	8.8	49,229	10.0	200,671	8.6	19.7	
95-99	1,328	2.5	413,692	9.9	97,270	13.4	316,421	9.1	23.5	
Top 1 Percent	342	0.6	3,464,931	21.3	1,190,036	42.3	2,274,895	16.9	34.4	
Top 0.1 Percent	53	0.1	12,336,093	11.8	4,372,526	24.2	7,963,567	9.2	35.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-1).

\* 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. Proposal would repeal the excise tax on high-cost health plans in 2018 and impose a limit on the income tax exclusion for employer provided health benefits and repeal Medical Flexible Spending Accounts in 2017. The exclusion limit would apply to medical, dental, vision, and supplementary indemnity insurance premiums; contributions to Health Reimbursement Arrangements and Health Savings Accounts; and the self-employed health insurance deduction. The limits would be set at the 80th percentile of health benefits in 2017 and indexed to growth in GDP per capita between 2018 and 2025 and to growth in GDP per capita plus 0.5 percentage points after 2025. Health benefits are held constant at baseline levels.

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