

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

Table T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
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	5.8	-886	0.0	0	0.4	24.6	-52	-0.4	5.3	
Second Quintile	5.6	-873	0.0	0	0.2	18.7	-49	-0.1	8.9	
Middle Quintile	5.6	-902	0.0	0	0.1	17.5	-51	-0.1	14.1	
Fourth Quintile	6.4	-920	0.0	0	0.1	16.9	-59	-0.1	17.4	
Top Quintile	4.9	-1,868	0.0	0	0.0	22.1	-92	0.0	26.3	
All	5.7	-1,010	0.0	0	0.1	100.0	-57	-0.1	20.5	
Addendum										
80-90	8.8	-1,931	0.0	0	0.1	20.9	-169	-0.1	20.2	
90-95	1.6	-1,194	0.0	0	0.0	1.2	-19	0.0	22.1	
95-99	0.1	-1,306	0.0	0	0.0	0.1	-1	0.0	25.6	
Top 1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	34.0	
Top 0.1 Percent	0.0	0	0.0	0	0.0	0.0	0	0.0	35.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

** Insufficient data

(1) Calendar year. Baseline is current law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

<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% \$23,335; 40% \$45,698; 60% \$81,631; 80% \$143,318; 90% \$210,718; 95% \$296,880; 99% \$743,821; 99.9% \$3,925,974.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
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	5.8	0.0	0.4	24.6	-52	-6.4	-0.1	1.1	-0.4	5.3
Second Quintile	5.6	0.0	0.2	18.7	-49	-1.5	0.0	3.6	-0.1	8.9
Middle Quintile	5.6	0.0	0.1	17.5	-51	-0.5	0.0	9.6	-0.1	14.1
Fourth Quintile	6.4	0.0	0.1	16.9	-59	-0.3	0.0	17.2	-0.1	17.4
Top Quintile	4.9	0.0	0.0	22.1	-92	-0.1	0.1	68.2	0.0	26.3
All	5.7	0.0	0.1	100.0	-57	-0.3	0.0	100.0	-0.1	20.5
Addendum										
80-90	8.8	0.0	0.1	20.9	-169	-0.5	0.0	13.6	-0.1	20.2
90-95	1.6	0.0	0.0	1.2	-19	0.0	0.0	10.5	0.0	22.1
95-99	0.1	0.0	0.0	0.1	-1	0.0	0.1	15.4	0.0	25.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	28.8	0.0	34.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	13.8	0.0	35.4

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	47,928	27.4	14,303	4.2	808	1.2	13,495	5.0	5.7	
Second Quintile	38,408	21.9	35,687	8.4	3,236	3.7	32,450	9.6	9.1	
Middle Quintile	34,598	19.8	66,196	14.0	9,371	9.6	56,826	15.1	14.2	
Fourth Quintile	28,795	16.4	115,334	20.3	20,136	17.2	95,198	21.1	17.5	
Top Quintile	24,050	13.7	362,407	53.3	95,402	68.1	267,005	49.4	26.3	
All	175,149	100.0	93,387	100.0	19,235	100.0	74,152	100.0	20.6	
Addendum										
80-90	12,363	7.1	183,634	13.9	37,237	13.7	146,397	13.9	20.3	
90-95	6,035	3.5	263,531	9.7	58,269	10.4	205,261	9.5	22.1	
95-99	4,510	2.6	446,734	12.3	114,460	15.3	332,274	11.5	25.6	
Top 1 Percent	1,142	0.7	2,487,202	17.4	846,036	28.7	1,641,165	14.4	34.0	
Top 0.1 Percent	118	0.1	11,152,691	8.0	3,951,743	13.8	7,200,948	6.5	35.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

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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% \$23,335; 40% \$45,698; 60% \$81,631; 80% \$143,318; 90% \$210,718; 95% \$296,880; 99% \$743,821; 99.9% \$3,925,974.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
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	6.6	0.0	0.5	22.3	-58	-14.5	-0.1	0.4	-0.4	2.6
Second Quintile	5.9	0.0	0.2	19.7	-53	-2.2	-0.1	2.6	-0.2	7.5
Middle Quintile	6.5	0.0	0.1	19.1	-55	-0.7	0.0	7.6	-0.1	12.7
Fourth Quintile	6.7	0.0	0.1	25.9	-79	-0.5	0.0	16.6	-0.1	17.0
Top Quintile	2.4	0.0	0.0	13.0	-43	-0.1	0.2	72.5	0.0	26.0
All	5.7	0.0	0.1	100.0	-57	-0.3	0.0	100.0	-0.1	20.5
Addendum										
80-90	4.3	0.0	0.1	12.3	-78	-0.3	0.0	14.8	-0.1	20.1
90-95	0.6	0.0	0.0	0.6	-8	0.0	0.0	11.3	0.0	22.0
95-99	0.1	0.0	0.0	0.1	-1	0.0	0.1	16.8	0.0	25.2
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	29.7	0.0	33.8
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	14.5	0.0	35.4

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	38,635	22.1	13,355	3.2	398	0.5	12,957	3.9	3.0
Second Quintile	37,089	21.2	31,459	7.1	2,422	2.7	29,037	8.3	7.7
Middle Quintile	34,845	19.9	58,145	12.4	7,422	7.7	50,722	13.6	12.8
Fourth Quintile	32,680	18.7	100,574	20.1	17,140	16.6	83,435	21.0	17.0
Top Quintile	30,530	17.4	307,484	57.4	79,836	72.4	227,648	53.5	26.0
All	175,149	100.0	93,387	100.0	19,235	100.0	74,152	100.0	20.6
Addendum									
80-90	15,743	9.0	157,179	15.1	31,588	14.8	125,590	15.2	20.1
90-95	7,640	4.4	226,968	10.6	49,874	11.3	177,094	10.4	22.0
95-99	5,817	3.3	384,479	13.7	96,820	16.7	287,658	12.9	25.2
Top 1 Percent	1,331	0.8	2,211,554	18.0	748,469	29.6	1,463,085	15.0	33.8
Top 0.1 Percent	138	0.1	9,927,935	8.4	3,517,809	14.4	6,410,126	6.8	35.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 4.5

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

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<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% \$16,353; 40% \$30,531; 60% \$52,710; 80% \$87,501; 90% \$126,779; 95% \$176,431; 99% \$425,759; 99.9% \$2,261,596.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
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	6.5	0.0	0.6	41.0	-56	-7.1	-0.2	2.4	-0.5	7.1
Second Quintile	4.9	0.0	0.2	28.5	-45	-2.0	-0.1	6.2	-0.2	8.7
Middle Quintile	4.4	0.0	0.1	17.7	-35	-0.6	0.0	13.7	-0.1	13.7
Fourth Quintile	2.9	0.0	0.1	11.1	-30	-0.2	0.1	22.4	0.0	18.4
Top Quintile	0.4	0.0	0.0	1.6	-6	0.0	0.2	55.0	0.0	26.0
All	4.5	0.0	0.1	100.0	-40	-0.5	0.0	100.0	-0.1	18.5
Addendum										
80-90	0.7	0.0	0.0	1.5	-10	0.0	0.1	15.8	0.0	21.2
90-95	*	0.0	0.0	0.0	0	0.0	0.0	9.2	0.0	22.4
95-99	*	0.0	0.0	0.0	0	0.0	0.1	11.3	0.0	25.6
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	18.7	0.0	36.1
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	10.1	0.0	36.9

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	25,643	29.1	10,390	6.3	797	2.6	9,592	7.2	7.7	
Second Quintile	22,364	25.3	24,997	13.3	2,217	6.3	22,780	14.8	8.9	
Middle Quintile	17,713	20.1	44,152	18.5	6,079	13.7	38,072	19.6	13.8	
Fourth Quintile	13,039	14.8	73,076	22.6	13,443	22.3	59,633	22.7	18.4	
Top Quintile	8,760	9.9	188,815	39.2	49,127	54.8	139,688	35.6	26.0	
All	88,250	100.0	47,807	100.0	8,902	100.0	38,905	100.0	18.6	
Addendum										
80-90	5,173	5.9	112,379	13.8	23,881	15.7	88,497	13.3	21.3	
90-95	2,040	2.3	157,742	7.6	35,361	9.2	122,381	7.3	22.4	
95-99	1,313	1.5	262,867	8.2	67,326	11.3	195,541	7.5	25.6	
Top 1 Percent	235	0.3	1,728,411	9.6	623,051	18.6	1,105,359	7.6	36.1	
Top 0.1 Percent	30	0.0	7,214,631	5.1	2,661,543	10.1	4,553,088	3.9	36.9	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

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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 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% \$16,353; 40% \$30,531; 60% \$52,710; 80% \$87,501; 90% \$126,779; 95% \$176,431; 99% \$425,759; 99.9% \$2,261,596.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
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	9.6	0.0	0.4	8.5	-84	-21.2	0.0	0.1	-0.4	1.6
Second Quintile	8.8	0.0	0.2	10.8	-78	-2.3	0.0	0.9	-0.2	7.3
Middle Quintile	8.9	0.0	0.1	15.8	-68	-0.7	0.0	4.3	-0.1	11.8
Fourth Quintile	9.9	0.0	0.1	38.5	-115	-0.6	-0.1	13.7	-0.1	16.2
Top Quintile	3.5	0.0	0.0	26.1	-62	-0.1	0.1	80.8	0.0	25.9
All	7.3	0.0	0.1	100.0	-81	-0.2	0.0	100.0	-0.1	22.3
Addendum										
80-90	6.8	0.0	0.1	24.8	-124	-0.4	0.0	14.6	-0.1	19.5
90-95	0.9	0.0	0.0	1.2	-11	0.0	0.0	12.5	0.0	21.8
95-99	0.1	0.0	0.0	0.1	-1	0.0	0.0	19.6	0.0	25.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	34.1	0.0	33.4
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	15.8	0.0	35.1

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	4,789	8.2	19,969	0.9	396	0.1	19,572	1.2	2.0	
Second Quintile	6,598	11.2	44,377	2.8	3,329	0.9	41,048	3.4	7.5	
Middle Quintile	10,962	18.7	76,843	8.1	9,169	4.3	67,674	9.2	11.9	
Fourth Quintile	15,897	27.1	123,355	18.8	20,058	13.7	103,297	20.3	16.3	
Top Quintile	19,931	34.0	363,398	69.6	94,127	80.7	269,272	66.4	25.9	
All	58,693	100.0	177,317	100.0	39,595	100.0	137,722	100.0	22.3	
Addendum										
80-90	9,458	16.1	183,289	16.7	35,946	14.6	147,343	17.2	19.6	
90-95	5,171	8.8	256,707	12.8	56,028	12.5	200,679	12.8	21.8	
95-99	4,265	7.3	425,552	17.4	106,769	19.6	318,783	16.8	25.1	
Top 1 Percent	1,037	1.8	2,283,157	22.7	762,980	34.0	1,520,177	19.5	33.4	
Top 0.1 Percent	98	0.2	10,634,442	10.1	3,731,840	15.8	6,902,602	8.4	35.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

* Less than 0.05

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(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
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	5.4	0.0	0.2	21.8	-49	5.1	-0.3	-4.3	-0.3	-5.3
Second Quintile	6.8	0.0	0.2	25.9	-60	-2.8	-0.2	8.5	-0.2	5.2
Middle Quintile	9.5	0.0	0.2	30.6	-99	-1.2	-0.1	23.6	-0.2	11.9
Fourth Quintile	7.6	0.0	0.1	21.3	-122	-0.7	0.1	30.0	-0.1	17.3
Top Quintile	0.2	0.0	0.0	0.3	-4	0.0	0.4	42.1	0.0	25.1
All	6.7	0.0	0.1	100.0	-70	-1.0	0.0	100.0	-0.1	12.8
Addendum										
80-90	0.4	0.0	0.0	0.3	-6	0.0	0.1	13.9	0.0	20.9
90-95	0.1	0.0	0.0	0.0	-2	0.0	0.1	7.4	0.0	22.6
95-99	0.0	0.0	0.0	0.0	0	0.0	0.1	7.1	0.0	25.3
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	13.8	0.0	33.9
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	8.0	0.0	35.6

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	7,819	31.0	19,092	10.3	-970	-4.1	20,061	12.5	-5.1	
Second Quintile	7,577	30.1	39,505	20.7	2,113	8.6	37,392	22.5	5.4	
Middle Quintile	5,430	21.5	67,186	25.3	8,116	23.7	59,070	25.5	12.1	
Fourth Quintile	3,080	12.2	104,121	22.2	18,081	30.0	86,041	21.1	17.4	
Top Quintile	1,251	5.0	246,898	21.4	61,978	41.7	184,920	18.4	25.1	
All	25,211	100.0	57,257	100.0	7,374	100.0	49,883	100.0	12.9	
Addendum										
80-90	794	3.2	154,173	8.5	32,148	13.7	122,025	7.7	20.9	
90-95	279	1.1	214,348	4.1	48,462	7.3	165,886	3.7	22.6	
95-99	149	0.6	348,066	3.6	88,216	7.1	259,850	3.1	25.3	
Top 1 Percent	29	0.1	2,565,671	5.2	869,126	13.7	1,696,545	3.9	33.9	
Top 0.1 Percent	3	0.0	12,754,642	2.9	4,534,773	7.9	8,219,869	2.1	35.6	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

<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% \$16,353; 40% \$30,531; 60% \$52,710; 80% \$87,501; 90% \$126,779; 95% \$176,431; 99% \$425,759; 99.9% \$2,261,596.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
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	7.2	0.0	0.3	11.9	-64	7.6	-0.1	-0.7	-0.3	-4.6
Second Quintile	8.4	0.0	0.2	13.8	-75	-2.8	-0.1	1.9	-0.2	5.9
Middle Quintile	12.1	0.0	0.2	18.5	-102	-1.0	0.0	7.5	-0.1	12.8
Fourth Quintile	16.4	0.0	0.2	35.7	-204	-0.9	-0.1	16.6	-0.2	17.4
Top Quintile	6.5	0.0	0.0	19.8	-120	-0.1	0.2	74.6	0.0	26.7
All	10.1	0.0	0.1	100.0	-112	-0.4	0.0	100.0	-0.1	20.9
Addendum										
80-90	12.2	0.0	0.1	19.1	-229	-0.5	0.0	14.2	-0.1	20.3
90-95	1.3	0.0	0.0	0.7	-16	0.0	0.0	11.0	0.0	22.5
95-99	0.2	0.0	0.0	0.1	-3	0.0	0.1	17.6	0.0	26.3
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	31.8	0.0	34.0
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.1	14.4	0.0	35.1

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	10,545	20.7	20,042	3.1	-847	-0.6	20,890	4.1	-4.2	
Second Quintile	10,412	20.5	43,750	6.8	2,650	2.0	41,100	8.0	6.1	
Middle Quintile	10,278	20.2	79,692	12.2	10,333	7.5	69,359	13.4	13.0	
Fourth Quintile	9,936	19.5	135,306	20.0	23,703	16.7	111,603	20.8	17.5	
Top Quintile	9,395	18.5	418,075	58.3	111,846	74.3	306,229	54.1	26.8	
All	50,858	100.0	132,410	100.0	27,798	100.0	104,612	100.0	21.0	
Addendum										
80-90	4,733	9.3	207,910	14.6	42,477	14.2	165,433	14.7	20.4	
90-95	2,303	4.5	297,303	10.2	67,008	10.9	230,295	10.0	22.5	
95-99	1,875	3.7	504,132	14.0	132,453	17.6	371,679	13.1	26.3	
Top 1 Percent	485	1.0	2,709,751	19.5	922,023	31.6	1,787,728	16.3	34.0	
Top 0.1 Percent	47	0.1	12,350,360	8.6	4,338,853	14.4	8,011,507	7.1	35.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

* 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 law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

<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% \$16,353; 40% \$30,531; 60% \$52,710; 80% \$87,501; 90% \$126,779; 95% \$176,431; 99% \$425,759; 99.9% \$2,261,596.

(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 T15-0144
Extend American Opportunity Tax Credit (AOTC)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2018¹
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	0.4	0.0	0.0	10.1	-3	-1.3	0.0	0.3	0.0	2.0
Second Quintile	0.4	0.0	0.0	13.7	-3	-0.4	0.0	1.4	0.0	2.7
Middle Quintile	0.5	0.0	0.0	19.1	-5	-0.1	0.0	4.9	0.0	6.2
Fourth Quintile	0.8	0.0	0.0	38.3	-11	-0.1	0.0	13.4	0.0	12.1
Top Quintile	0.5	0.0	0.0	18.8	-7	0.0	0.0	79.6	0.0	25.9
All	0.5	0.0	0.0	100.0	-5	0.0	0.0	100.0	0.0	17.8
Addendum										
80-90	0.7	0.0	0.0	16.8	-11	-0.1	0.0	13.2	0.0	17.3
90-95	0.5	0.0	0.0	2.0	-3	0.0	0.0	10.1	0.0	20.2
95-99	0.0	0.0	0.0	0.0	0	0.0	0.0	14.8	0.0	24.1
Top 1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	41.6	0.0	34.6
Top 0.1 Percent	0.0	0.0	0.0	0.0	0	0.0	0.0	23.4	0.0	36.0

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	6,946	15.9	12,606	2.5	254	0.3	12,352	2.9	2.0	
Second Quintile	11,923	27.3	26,846	9.0	724	1.4	26,122	10.6	2.7	
Middle Quintile	9,869	22.6	51,053	14.1	3,158	4.9	47,895	16.1	6.2	
Fourth Quintile	7,900	18.1	89,849	19.9	10,842	13.4	79,007	21.3	12.1	
Top Quintile	6,553	15.0	299,467	54.9	77,427	79.6	222,040	49.5	25.9	
All	43,684	100.0	81,831	100.0	14,596	100.0	67,235	100.0	17.8	
Addendum										
80-90	3,507	8.0	139,330	13.7	24,040	13.2	115,290	13.8	17.3	
90-95	1,567	3.6	202,981	8.9	40,937	10.1	162,044	8.6	20.2	
95-99	1,145	2.6	340,869	10.9	82,110	14.8	258,759	10.1	24.1	
Top 1 Percent	333	0.8	2,294,885	21.4	794,291	41.5	1,500,594	17.0	34.6	
Top 0.1 Percent	44	0.1	9,333,384	11.6	3,362,451	23.4	5,970,933	9.0	36.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-2).

* 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 law. Proposal would replace the Hope Scholarship Credit with the American Opportunity Tax Credit, which is currently set to expire on 12/31/17. For a description of TPC's current law baseline, see:

<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

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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 2015 dollars): 20% \$16,353; 40% \$30,531; 60% \$52,710; 80% \$87,501; 90% \$126,779; 95% \$176,431; 99% \$425,759; 99.9% \$2,261,596.

(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.