

Table T17-0096
Distribution of Major Tax Provisions in The American Health Care Act of 2017 (AHCA)
as approved by House Ways and Means Committee
Includes Changes to Health Insurance Tax Credits
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2022 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	49,430	27.4	-0.1	-0.6	10	0.1	4.3
Second Quintile	40,450	22.4	-0.4	-7.5	160	0.4	9.0
Middle Quintile	35,240	19.5	0.4	9.7	-240	-0.3	13.6
Fourth Quintile	29,390	16.3	0.5	17.2	-510	-0.4	16.8
Top Quintile	25,040	13.9	1.0	81.1	-2,830	-0.7	25.2
All	180,680	100.0	0.6	100.0	-480	-0.5	19.6
Addendum							
80-90	12,890	7.1	0.4	9.8	-670	-0.3	19.7
90-95	6,190	3.4	0.4	6.0	-840	-0.3	21.8
95-99	4,790	2.7	0.8	15.6	-2,840	-0.6	25.0
Top 1 Percent	1,170	0.6	2.1	49.7	-37,220	-1.4	31.8
Top 0.1 Percent	120	0.1	2.6	28.3	-207,240	-1.7	32.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

Number of AMT Taxpayers (millions). Baseline: 5.6

Proposal: 5.6

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Baseline is current law. Proposal would repeal the following Affordable Care Act (ACA) taxes: the 3.8 percent Net Investment Income Tax; the 0.9 percent additional HI tax; the excise tax on employers offering inadequate health insurance coverage; the excise tax on individuals without adequate health insurance; the increase in threshold for medical expense deductions; excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers; and the Premium Tax Credit. The proposal would delay the Cadillac tax until 2025 and enact a new age-related health insurance tax credit. Analysis excludes changes to Health Savings Accounts and Medical Flexible Spending Accounts. Analysis captures impact of coverage changes on credits but does not include the impact of changes in premiums or the welfare impact of changes in health insurance coverage or coverage generosity. Simulations of health insurance credits calibrated to match results from Urban Institute's Health Insurance Policy Simulation Model (HIPSM). For a description of TPC's current law baseline, <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 2017 dollars): 20% \$26,300; 40% \$51,600; 60% \$89,400; 80% \$152,400; 90% \$222,600; 95% \$311,700; 99% \$772,000; 99.9% \$3,954,500.

(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.