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Table T17-0194
Distribution of Major Tax Provisions in Discussion Draft Version of Better Care Reconciliation ACT (BCRA) Released on July 13, 2017
Excludes Changes to Health Insurance Tax Credits
(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2026 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	85.6	-210	0.0	0	1.0	15.7	-180	-0.9	3.4
Second Quintile	99.5	-230	0.0	0	0.5	16.7	-230	-0.5	8.3
Middle Quintile	99.8	-280	0.0	0	0.4	17.4	-280	-0.3	13.6
Fourth Quintile	99.8	-360	0.0	0	0.3	18.7	-360	-0.3	16.8
Top Quintile	99.9	-710	0.0	0	0.2	31.2	-710	-0.2	26.1
All	95.7	-330	0.0	0	0.3	100.0	-310	-0.3	19.9
Addendum									
80-90	99.9	-490	0.0	0	0.3	11.2	-490	-0.2	19.7
90-95	99.9	-620	0.0	0	0.3	6.7	-610	-0.2	21.8
95-99	99.9	-860	0.0	0	0.2	7.2	-860	-0.2	25.4
Top 1 Percent	99.9	-2,930	0.0	0	0.1	6.1	-2,920	-0.1	33.4
Top 0.1 Percent	99.9	-10,220	0.0	0	0.1	2.1	-10,210	-0.1	33.8

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 excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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% \$27,700; 40% \$54,100; 60% \$92,600; 80% \$154,100; 90% \$224,800; 95% \$306,100; 99% \$874,900; 99.9% \$4,930,000.

(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.

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(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2026 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	85.6	0.0	1.0	15.7	-180	-21.5	-0.2	0.7	-0.9	3.4
Second Quintile	99.5	0.0	0.5	16.7	-230	-5.4	-0.2	3.8	-0.5	8.3
Middle Quintile	99.8	0.0	0.4	17.4	-280	-2.3	-0.1	9.8	-0.3	13.6
Fourth Quintile	99.8	0.0	0.3	18.7	-360	-1.4	0.0	16.6	-0.3	16.8
Top Quintile	99.9	0.0	0.2	31.2	-710	-0.6	0.5	68.9	-0.2	26.1
All	95.7	0.0	0.3	100.0	-310	-1.3	0.0	100.0	-0.3	19.9
Addendum										
80-90	99.9	0.0	0.3	11.2	-490	-1.1	0.0	13.3	-0.2	19.7
90-95	99.9	0.0	0.3	6.7	-610	-0.9	0.0	9.8	-0.2	21.8
95-99	99.9	0.0	0.2	7.2	-860	-0.6	0.1	15.4	-0.2	25.4
Top 1 Percent	99.9	0.0	0.1	6.1	-2,920	-0.3	0.3	30.5	-0.1	33.4
Top 0.1 Percent	99.9	0.0	0.1	2.1	-10,210	-0.2	0.2	14.0	-0.1	33.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2026 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	50,020	27.0	19,700	4.4	850	0.9	18,860	5.3	4.3	
Second Quintile	41,920	22.6	48,750	9.1	4,280	4.0	44,470	10.4	8.8	
Middle Quintile	36,530	19.7	87,760	14.3	12,200	9.9	75,570	15.4	13.9	
Fourth Quintile	30,110	16.2	146,960	19.7	25,040	16.7	121,920	20.5	17.0	
Top Quintile	25,670	13.8	460,060	52.7	120,580	68.4	339,480	48.7	26.2	
All	#####	100.0	120,930	100.0	24,390	100.0	96,540	100.0	20.2	
Addendum										
80-90	13,280	7.2	227,580	13.5	45,200	13.3	182,380	13.5	19.9	
90-95	6,280	3.4	319,150	8.9	70,130	9.7	249,030	8.7	22.0	
95-99	4,890	2.6	552,960	12.1	141,260	15.3	411,700	11.2	25.6	
Top 1 Percent	1,210	0.7	3,368,220	18.2	1,126,490	30.1	2,241,730	15.2	33.4	
Top 0.1 Percent	120	0.1	15,159,340	8.2	5,136,500	13.8	10,022,840	6.8	33.9	

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 excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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% \$27,700; 40% \$54,100; 60% \$92,600; 80% \$154,100; 90% \$224,800; 95% \$306,100; 99% \$874,900; 99.9% \$4,930,000.

(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.

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	82.2	0.0	1.1	13.7	-200	-56.1	-0.2	0.1	-1.1	0.8
Second Quintile	99.5	0.0	0.6	17.0	-250	-7.3	-0.2	2.8	-0.6	7.3
Middle Quintile	99.7	0.0	0.4	16.4	-260	-2.7	-0.1	7.8	-0.3	12.2
Fourth Quintile	99.8	0.0	0.3	18.2	-310	-1.5	0.0	15.9	-0.2	16.1
Top Quintile	99.8	0.0	0.2	34.4	-610	-0.6	0.5	73.2	-0.2	25.7
All	95.7	0.0	0.3	100.0	-310	-1.3	0.0	100.0	-0.3	19.9
Addendum										
80-90	99.9	0.0	0.3	12.0	-420	-1.1	0.0	14.1	-0.2	19.4
90-95	99.8	0.0	0.3	7.6	-530	-0.9	0.0	10.9	-0.2	21.5
95-99	99.9	0.0	0.2	8.5	-770	-0.7	0.1	17.0	-0.2	25.1
Top 1 Percent	99.8	0.0	0.1	6.3	-2,620	-0.3	0.3	31.2	-0.1	33.1
Top 0.1 Percent	99.8	0.0	0.1	2.3	-9,080	-0.2	0.2	14.7	-0.1	33.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	40,240	21.7	18,340	3.3	350	0.3	17,980	4.0	1.9	
Second Quintile	39,780	21.5	43,190	7.7	3,400	3.0	39,790	8.8	7.9	
Middle Quintile	36,880	19.9	77,720	12.8	9,720	7.9	68,000	14.0	12.5	
Fourth Quintile	34,470	18.6	128,000	19.7	20,940	16.0	107,060	20.6	16.4	
Top Quintile	32,880	17.7	387,330	56.8	99,960	72.7	287,370	52.8	25.8	
All	#####	#####	120,930	100.0	24,390	100.0	96,540	100.0	20.2	
Addendum										
80-90	16,710	9.0	193,950	14.5	38,040	14.1	155,910	14.6	19.6	
90-95	8,320	4.5	272,110	10.1	58,960	10.9	213,150	9.9	21.7	
95-99	6,440	3.5	469,260	13.5	118,380	16.9	350,880	12.6	25.2	
Top 1 Percent	1,400	0.8	3,005,510	18.8	998,780	30.9	2,006,730	15.7	33.2	
Top 0.1 Percent	140	0.1	#####	8.6	4,581,120	14.5	8,905,590	7.1	34.0	

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

Number of AMT Taxpayers (millions). Baseline: 5.6 Proposal: 5.6

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(1) Calendar year. Baseline is current law. Proposal would repeal the following Affordable Care Act (ACA) taxes: the excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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.

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Excludes Changes to Health Insurance Tax Credits
(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
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	77.2	0.0	1.3	23.0	-170	-16.8	-0.4	2.0	-1.2	5.8
Second Quintile	99.4	0.0	0.5	22.5	-170	-6.5	-0.3	5.8	-0.5	7.2
Middle Quintile	99.7	0.0	0.4	18.2	-180	-2.5	-0.1	12.8	-0.3	12.2
Fourth Quintile	99.7	0.0	0.3	15.0	-210	-1.3	0.1	20.2	-0.2	17.1
Top Quintile	99.8	0.0	0.2	21.0	-370	-0.6	0.7	59.0	-0.2	25.0
All	93.1	0.0	0.4	100.0	-200	-1.8	0.0	100.0	-0.3	17.4
Addendum										
80-90	99.9	0.0	0.3	9.4	-300	-1.0	0.1	16.3	-0.2	20.5
90-95	99.6	0.0	0.2	4.4	-330	-0.8	0.1	10.2	-0.2	22.0
95-99	99.9	0.0	0.2	4.7	-490	-0.6	0.2	13.7	-0.2	24.9
Top 1 Percent	99.3	0.0	0.1	2.5	-1,720	-0.2	0.3	18.9	-0.1	33.9
Top 0.1 Percent	99.4	0.0	0.1	0.9	-5,720	-0.2	0.1	9.1	-0.1	34.4

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

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	25,760	27.8	14,120	6.1	980	2.4	13,130	6.9	7.0
Second Quintile	24,330	26.2	34,320	14.0	2,630	6.1	31,700	15.7	7.7
Middle Quintile	18,400	19.8	58,860	18.2	7,390	12.9	51,470	19.3	12.6
Fourth Quintile	13,220	14.3	92,680	20.6	16,030	20.1	76,650	20.7	17.3
Top Quintile	10,390	11.2	235,340	41.1	59,130	58.3	176,210	37.4	25.1
All	92,790	100.0	64,150	100.0	11,350	100.0	52,800	100.0	17.7
Addendum									
80-90	5,860	6.3	139,970	13.8	29,010	16.1	110,960	13.3	20.7
90-95	2,470	2.7	193,790	8.0	42,870	10.1	150,920	7.6	22.1
95-99	1,780	1.9	319,150	9.6	79,990	13.6	239,160	8.7	25.1
Top 1 Percent	270	0.3	2,116,530	9.7	718,400	18.6	1,398,130	7.8	33.9
Top 0.1 Percent	30	0.0	9,513,570	4.6	3,280,620	9.0	6,232,950	3.7	34.5

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

* 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 excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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.

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Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹
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	88.0	0.0	0.8	3.9	-210	-120.3	0.0	0.0	-0.8	-0.1
Second Quintile	99.7	0.0	0.7	9.8	-390	-7.6	-0.1	1.2	-0.6	7.8
Middle Quintile	99.9	0.0	0.4	15.2	-370	-3.0	-0.1	4.9	-0.4	11.7
Fourth Quintile	99.9	0.0	0.3	22.0	-380	-1.6	-0.1	13.6	-0.3	15.5
Top Quintile	99.9	0.0	0.2	48.8	-730	-0.6	0.3	80.2	-0.2	25.8
All	98.8	0.0	0.3	100.0	-470	-1.0	0.0	100.0	-0.2	21.8
Addendum										
80-90	99.9	0.0	0.3	15.7	-490	-1.1	0.0	13.6	-0.2	18.9
90-95	100.0	0.0	0.3	10.7	-610	-0.9	0.0	11.5	-0.2	21.2
95-99	99.9	0.0	0.2	12.5	-870	-0.6	0.1	19.1	-0.2	25.1
Top 1 Percent	99.9	0.0	0.1	9.8	-2,840	-0.3	0.3	36.1	-0.1	33.0
Top 0.1 Percent	100.0	0.0	0.1	3.4	-10,050	-0.2	0.1	16.5	-0.1	33.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026¹

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	5,570	8.7	26,950	1.1	180	0.0	26,770	1.4	0.7	
Second Quintile	7,640	11.9	61,580	3.3	5,170	1.3	56,410	3.9	8.4	
Middle Quintile	12,610	19.7	101,820	9.1	12,250	5.0	89,570	10.2	12.0	
Fourth Quintile	17,430	27.2	155,180	19.1	24,440	13.7	130,740	20.6	15.8	
Top Quintile	20,460	31.9	468,440	67.7	121,470	79.9	346,970	64.3	25.9	
All	64,090	100.0	220,880	100.0	48,520	100.0	172,350	100.0	22.0	
Addendum										
80-90	9,670	15.1	228,670	15.6	43,670	13.6	185,000	16.2	19.1	
90-95	5,380	8.4	309,850	11.8	66,420	11.5	243,420	11.9	21.4	
95-99	4,360	6.8	536,820	16.5	135,530	19.0	401,290	15.8	25.3	
Top 1 Percent	1,050	1.6	3,197,330	23.8	1,058,910	35.9	2,138,420	20.4	33.1	
Top 0.1 Percent	100	0.2	14,505,900	10.6	4,918,280	16.4	9,587,620	9.0	33.9	

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

* 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 excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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 T17-0194
Distribution of Major Tax Provisions in Discussion Draft Version of Better Care Reconciliation ACT (BCRA) Released on July 13, 2017
Excludes Changes to Health Insurance Tax Credits
(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	94.1	0.0	1.0	29.3	-280	18.0	-1.2	-6.6	-1.1	-7.2
Second Quintile	99.7	0.0	0.7	31.8	-360	-9.3	-0.7	10.7	-0.7	6.6
Middle Quintile	99.8	0.0	0.4	16.1	-270	-2.3	0.3	23.6	-0.3	12.9
Fourth Quintile	99.5	0.0	0.3	11.4	-310	-1.4	0.6	28.4	-0.2	16.9
Top Quintile	99.3	0.0	0.3	11.3	-660	-0.9	1.1	43.8	-0.2	24.5
All	97.7	0.0	0.5	100.0	-330	-3.3	0.0	100.0	-0.4	12.8
Addendum										
80-90	99.6	0.0	0.3	4.3	-420	-1.1	0.3	13.7	-0.2	20.2
90-95	98.5	0.0	0.4	3.1	-760	-1.2	0.2	8.8	-0.3	22.7
95-99	99.4	0.0	0.4	2.7	-1,230	-1.2	0.2	7.7	-0.3	24.8
Top 1 Percent	99.7	0.0	0.1	1.1	-2,950	-0.3	0.4	13.7	-0.1	32.9
Top 0.1 Percent	99.4	0.0	0.1	0.4	-10,500	-0.2	0.2	7.6	-0.1	33.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	8,390	33.8	25,700	11.6	-1,570	-5.4	27,270	14.2	-6.1	
Second Quintile	7,110	28.7	54,150	20.8	3,920	11.4	50,230	22.2	7.2	
Middle Quintile	4,900	19.8	88,390	23.4	11,670	23.4	76,720	23.4	13.2	
Fourth Quintile	2,990	12.0	133,340	21.5	22,780	27.8	110,560	20.5	17.1	
Top Quintile	1,380	5.6	306,450	22.8	75,670	42.8	230,780	19.8	24.7	
All	24,820	100.0	74,800	100.0	9,860	100.0	64,940	100.0	13.2	
Addendum										
80-90	840	3.4	191,840	8.6	39,080	13.3	152,760	7.9	20.4	
90-95	340	1.4	270,630	4.9	62,210	8.6	208,430	4.4	23.0	
95-99	180	0.7	411,810	4.0	103,290	7.6	308,520	3.4	25.1	
Top 1 Percent	30	0.1	3,163,030	5.3	1,044,080	13.3	2,118,950	4.1	33.0	
Top 0.1 Percent	*	0.0	16,914,800	2.9	5,739,060	7.3	11,175,750	2.2	33.9	

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

* 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 excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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 T17-0194
Distribution of Major Tax Provisions in Discussion Draft Version of Better Care Reconciliation ACT (BCRA) Released on July 13, 2017
Excludes Changes to Health Insurance Tax Credits
(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 ¹
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	93.6	0.0	1.0	14.1	-280	18.0	-0.2	-1.2	-1.0	-6.8
Second Quintile	99.8	0.0	0.7	19.1	-410	-8.7	-0.2	2.6	-0.7	7.2
Middle Quintile	99.9	0.0	0.4	16.6	-370	-2.6	-0.1	8.2	-0.4	13.3
Fourth Quintile	99.8	0.0	0.3	17.9	-430	-1.4	0.0	16.1	-0.3	17.2
Top Quintile	99.8	0.0	0.2	32.1	-820	-0.6	0.5	74.2	-0.2	26.9
All	98.3	0.0	0.3	100.0	-450	-1.3	0.0	100.0	-0.3	20.7
Addendum										
80-90	99.8	0.0	0.3	10.6	-530	-1.0	0.0	13.7	-0.2	20.2
90-95	99.8	0.0	0.2	6.4	-660	-0.8	0.1	10.2	-0.2	22.4
95-99	99.9	0.0	0.2	7.7	-1,030	-0.6	0.1	16.6	-0.2	26.7
Top 1 Percent	99.9	0.0	0.1	7.4	-3,440	-0.3	0.3	33.8	-0.1	33.6
Top 0.1 Percent	100.0	0.0	0.1	2.6	-12,910	-0.2	0.2	14.7	-0.1	33.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	12,480	22.5	27,000	3.7	-1,560	-1.0	28,570	4.9	-5.8	
Second Quintile	11,510	20.7	60,300	7.5	4,760	2.8	55,540	8.8	7.9	
Middle Quintile	11,040	19.9	106,360	12.7	14,540	8.3	91,820	13.9	13.7	
Fourth Quintile	10,450	18.8	171,120	19.4	29,800	16.1	141,320	20.3	17.4	
Top Quintile	9,800	17.7	535,930	57.0	144,970	73.6	390,950	52.6	27.1	
All	55,490	#####	166,150	100.0	34,770	100.0	131,370	100.0	20.9	
Addendum										
80-90	4,980	9.0	258,620	14.0	52,810	13.6	205,820	14.1	20.4	
90-95	2,430	4.4	355,470	9.4	80,210	10.1	275,260	9.2	22.6	
95-99	1,850	3.3	638,740	12.8	171,320	16.5	467,420	11.9	26.8	
Top 1 Percent	530	1.0	3,591,340	20.8	1,209,510	33.4	2,381,830	17.4	33.7	
Top 0.1 Percent	50	0.1	#####	9.0	5,519,350	14.6	#####	7.5	33.9	

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

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

Note: Tax units with children are those claiming an exemption for children at home or away from home or with children qualifying for the Child Tax Credit or EITC.

(1) Calendar year. Baseline is current law. Proposal would repeal the following Affordable Care Act (ACA) taxes: the excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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 T17-0194
Distribution of Major Tax Provisions in Discussion Draft Version of Better Care Reconciliation ACT (BCRA) Released on July 13, 2017
Excludes Changes to Health Insurance Tax Credits
(Version Did Not Repeal High-Income Surtaxes)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	82.8	0.0	0.3	4.1	-50	-15.5	0.0	0.2	-0.3	1.5
Second Quintile	99.7	0.0	0.2	12.1	-80	-8.3	-0.1	1.4	-0.2	2.2
Middle Quintile	99.8	0.0	0.2	16.9	-130	-3.2	-0.1	5.2	-0.2	5.8
Fourth Quintile	99.8	0.0	0.2	22.8	-230	-1.7	-0.1	13.4	-0.2	11.2
Top Quintile	99.8	0.0	0.2	43.6	-530	-0.6	0.4	79.5	-0.1	24.8
All	96.9	0.0	0.2	100.0	-180	-1.0	0.0	100.0	-0.2	16.5
Addendum										
80-90	99.9	0.0	0.3	14.9	-360	-1.3	0.0	12.2	-0.2	16.3
90-95	99.7	0.0	0.2	9.7	-470	-1.0	0.0	10.1	-0.2	19.2
95-99	99.9	0.0	0.2	10.3	-630	-0.6	0.1	16.6	-0.2	23.5
Top 1 Percent	99.7	0.0	0.1	8.7	-2,220	-0.2	0.3	40.7	-0.1	33.1
Top 0.1 Percent	99.8	0.0	0.1	3.2	-6,710	-0.2	0.2	21.8	-0.1	33.8

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2026 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	8,510	15.4	17,030	2.5	310	0.3	16,720	3.0	1.8	
Second Quintile	15,870	28.6	37,080	10.2	900	1.5	36,180	12.0	2.4	
Middle Quintile	12,580	22.7	67,670	14.8	4,080	5.3	63,600	16.7	6.0	
Fourth Quintile	9,900	17.9	114,620	19.7	13,080	13.5	101,540	21.0	11.4	
Top Quintile	8,050	14.5	379,130	53.1	94,500	79.1	284,630	47.8	24.9	
All	55,390	#####	103,870	100.0	17,360	100.0	86,510	100.0	16.7	
Addendum										
80-90	4,050	7.3	174,970	12.3	28,950	12.2	146,030	12.4	16.5	
90-95	2,020	3.7	247,870	8.7	48,020	10.1	199,850	8.4	19.4	
95-99	1,590	2.9	421,690	11.7	99,560	16.5	322,130	10.7	23.6	
Top 1 Percent	380	0.7	3,045,420	20.4	1,008,980	40.3	2,036,440	16.3	33.1	
Top 0.1 Percent	50	0.1	#####	10.7	4,396,520	21.7	8,588,920	8.5	33.9	

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

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

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 repeal the following Affordable Care Act (ACA) taxes: the excise tax on employers offering inadequate health insurance coverage, the excise tax on individuals without adequate health insurance, and the excise taxes on health insurance providers, pharmaceutical manufacturers and importers, and medical device manufacturers and importers. The proposal would lower the threshold for the medical expense deduction to 7.5 percent. Analysis excludes changes to health insurance tax credits, Health Savings Accounts, and Medical Flexible Spending Accounts. This version of the BCRA would not repeal the 3.8 percent net investment income tax and 0.9 percent additional Medicare hospital insurance tax. 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 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 2017 dollars): 20% \$19,900; 40% \$36,100; 60% \$59,800; 80% \$94,900; 90% \$134,900; 95% \$187,000; 99% \$488,000; 99.9% \$2,735,400.

(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.