

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

Table T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Summary Table

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units with Tax Increase or Cut ³				Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	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					
Less than 10	57.5	-90	0.0	0	1.0	3.0	-50	-0.9	6.2
10-20	54.4	-190	1.1	180	0.7	10.5	-100	-0.6	2.9
20-30	57.9	-290	3.7	350	0.6	15.3	-150	-0.6	4.6
30-40	63.1	-370	5.9	260	0.7	16.2	-220	-0.6	7.6
40-50	66.2	-440	6.3	340	0.7	15.9	-270	-0.6	10.1
50-75	63.8	-500	10.4	460	0.5	29.7	-270	-0.4	12.9
75-100	58.3	-610	17.7	610	0.3	18.5	-250	-0.3	15.4
100-200	55.7	-770	27.3	940	0.2	23.3	-170	-0.1	18.5
200-500	41.3	-1,090	48.0	1,810	-0.2	-21.8	420	0.1	23.0
500-1,000	35.9	-1,530	53.9	3,210	-0.2	-8.1	1,180	0.2	28.1
More than 1,000	41.9	-1,580	46.8	3,700	-0.1	-3.2	1,070	0.0	33.2
All	57.5	-480	13.4	1,090	0.2	100.0	-130	-0.1	19.7

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

Number of AMT Taxpayers (millions). Baseline: 5.2

Proposal: 5.4

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

(1) Calendar year. Baseline is current law. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

(4) 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 taxes; and excise taxes.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	57.5	0.0	1.0	3.0	-50	-12.5	0.0	0.2	-0.9	6.2
10-20	54.4	1.1	0.7	10.5	-100	-18.3	-0.1	0.3	-0.6	2.9
20-30	57.9	3.7	0.6	15.3	-150	-11.8	-0.1	0.8	-0.6	4.6
30-40	63.1	5.9	0.7	16.2	-220	-7.4	-0.1	1.4	-0.6	7.6
40-50	66.2	6.3	0.7	15.9	-270	-5.5	-0.1	1.9	-0.6	10.1
50-75	63.8	10.4	0.5	29.7	-270	-3.2	-0.2	6.3	-0.4	12.9
75-100	58.3	17.7	0.3	18.5	-250	-1.8	-0.1	7.2	-0.3	15.4
100-200	55.7	27.3	0.2	23.3	-170	-0.6	0.0	25.5	-0.1	18.5
200-500	41.3	48.0	-0.2	-21.8	420	0.6	0.3	24.4	0.1	23.0
500-1,000	35.9	53.9	-0.2	-8.1	1,180	0.6	0.1	9.4	0.2	28.1
More than 1,000	41.9	46.8	-0.1	-3.2	1,070	0.1	0.2	22.5	0.0	33.2
All	57.5	13.4	0.2	100.0	-130	-0.7	0.0	100.0	-0.1	19.7

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	13,260	7.5	5,690	0.5	400	0.2	5,290	0.5	7.1
10-20	23,850	13.5	15,470	2.3	540	0.4	14,930	2.7	3.5
20-30	22,240	12.6	25,360	3.5	1,310	0.9	24,050	4.1	5.2
30-40	16,640	9.5	35,510	3.7	2,930	1.5	32,590	4.2	8.2
40-50	13,220	7.5	45,880	3.8	4,920	2.0	40,960	4.2	10.7
50-75	24,450	13.9	63,030	9.5	8,420	6.4	54,610	10.3	13.4
75-100	16,650	9.5	88,640	9.1	13,930	7.2	74,710	9.6	15.7
100-200	30,860	17.5	142,160	27.1	26,520	25.5	115,640	27.5	18.7
200-500	11,640	6.6	291,480	21.0	66,500	24.1	224,990	20.2	22.8
500-1,000	1,530	0.9	691,460	6.5	193,320	9.2	498,140	5.9	28.0
More than 1,000	670	0.4	3,208,090	13.4	1,063,200	22.3	2,144,890	11.1	33.1
All	176,100	100.0	91,930	100.0	18,220	100.0	73,710	100.0	19.8

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

Number of AMT Taxpayers (millions). Baseline: 5.2

Proposal: 5.4

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

(1) Calendar year. Baseline is current law. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

(4) 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.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table - Single Tax Units

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	56.3	0.0	1.0	6.5	-50	-10.2	-0.1	0.7	-0.9	7.8
10-20	47.2	1.4	0.6	18.1	-90	-8.9	-0.2	2.1	-0.6	5.6
20-30	46.7	5.0	0.5	19.9	-120	-5.6	-0.2	3.9	-0.5	7.7
30-40	52.2	8.0	0.5	18.9	-170	-4.3	-0.2	4.9	-0.5	10.6
40-50	56.9	8.6	0.6	18.6	-220	-3.6	-0.2	5.8	-0.5	13.0
50-75	55.9	14.1	0.4	29.0	-210	-2.1	-0.2	15.8	-0.3	16.0
75-100	43.9	26.4	0.1	6.8	-100	-0.6	0.1	13.6	-0.1	19.5
100-200	38.5	34.2	-0.1	-9.9	130	0.5	0.4	25.4	0.1	21.9
200-500	34.5	40.3	-0.2	-6.8	470	0.7	0.2	12.3	0.2	25.6
500-1,000	34.2	35.3	-0.2	-1.2	750	0.4	0.1	3.8	0.1	29.9
More than 1,000	40.2	27.5	0.0	-0.4	490	0.0	0.1	11.5	0.0	36.3
All	49.6	9.5	0.3	100.0	-100	-1.2	0.0	100.0	-0.2	17.7

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	11,640	12.9	5,650	1.5	490	0.7	5,160	1.7	8.6
10-20	18,920	21.0	15,370	6.7	950	2.3	14,420	7.7	6.2
20-30	15,320	17.0	25,280	9.0	2,070	4.1	23,210	10.0	8.2
30-40	10,000	11.1	35,430	8.2	3,930	5.1	31,500	8.9	11.1
40-50	7,390	8.2	45,850	7.9	6,190	5.9	39,670	8.3	13.5
50-75	12,030	13.4	62,600	17.4	10,230	15.9	52,370	17.8	16.3
75-100	6,070	6.7	88,060	12.4	17,250	13.6	70,810	12.1	19.6
100-200	6,540	7.3	135,190	20.5	29,520	25.0	105,670	19.5	21.8
200-500	1,280	1.4	285,340	8.5	72,540	12.0	212,800	7.7	25.4
500-1,000	140	0.2	689,700	2.3	205,370	3.7	484,330	1.9	29.8
More than 1,000	80	0.1	3,052,600	5.6	1,106,790	11.4	1,945,810	4.4	36.3
All	90,040	100.0	47,960	100.0	8,590	100.0	39,370	100.0	17.9

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. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

(4) 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.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Less than 10	42.8	0.0	0.8	0.4	-40	-32.1	0.0	0.0	-0.8	1.7
10-20	62.8	0.0	0.8	2.6	-120	-198.9	0.0	0.0	-0.8	-0.4
20-30	65.9	0.1	0.8	7.0	-190	-81.8	0.0	0.0	-0.8	0.2
30-40	65.4	1.2	0.7	9.0	-240	-20.1	0.0	0.1	-0.7	2.7
40-50	68.3	2.8	0.7	11.2	-290	-10.1	0.0	0.3	-0.6	5.6
50-75	67.4	5.1	0.6	33.5	-320	-5.3	-0.1	2.0	-0.5	9.1
75-100	67.5	10.3	0.5	40.2	-360	-3.2	-0.1	4.1	-0.4	12.5
100-200	61.8	24.2	0.2	83.3	-280	-1.1	-0.2	25.1	-0.2	17.5
200-500	42.4	49.1	-0.2	-56.1	410	0.6	0.3	30.0	0.1	22.6
500-1,000	35.8	56.3	-0.3	-23.2	1,240	0.7	0.1	11.9	0.2	27.9
More than 1,000	41.7	50.5	-0.1	-9.3	1,180	0.1	0.1	26.3	0.0	32.8
All	59.6	20.8	0.1	100.0	-120	-0.3	0.0	100.0	-0.1	21.4

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	740	1.2	5,140	0.0	130	0.0	5,020	0.1	2.5
10-20	1,610	2.7	15,900	0.3	60	0.0	15,840	0.3	0.4
20-30	2,600	4.4	25,720	0.7	240	0.0	25,480	0.8	0.9
30-40	2,710	4.5	35,680	1.0	1,200	0.2	34,480	1.2	3.4
40-50	2,780	4.7	46,020	1.3	2,880	0.4	43,140	1.5	6.3
50-75	7,490	12.6	63,960	4.7	6,110	2.1	57,850	5.4	9.6
75-100	7,960	13.3	89,310	7.0	11,500	4.2	77,820	7.7	12.9
100-200	21,590	36.2	145,310	30.8	25,660	25.3	119,650	32.3	17.7
200-500	9,900	16.6	293,310	28.5	65,770	29.7	227,540	28.1	22.4
500-1,000	1,340	2.3	691,840	9.1	191,950	11.8	499,890	8.4	27.7
More than 1,000	560	1.0	3,100,340	17.2	1,016,930	26.2	2,083,400	14.7	32.8
All	59,680	100.0	170,910	100.0	36,680	100.0	134,240	100.0	21.5

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

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

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

(4) 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.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	85.0	0.0	1.0	1.0	-70	10.2	0.0	-0.4	-1.1	-11.4
10-20	92.7	0.0	1.0	9.2	-170	9.2	-0.4	-3.7	-1.1	-12.9
20-30	94.5	1.3	1.0	19.1	-270	23.5	-0.7	-3.4	-1.1	-5.7
30-40	90.7	3.2	1.0	20.8	-330	-28.2	-0.6	1.8	-0.9	2.4
40-50	87.3	3.8	0.8	17.0	-360	-11.0	-0.4	4.7	-0.8	6.3
50-75	78.9	9.3	0.6	25.1	-340	-4.8	-0.3	17.0	-0.5	10.6
75-100	64.1	20.2	0.3	9.6	-250	-1.9	0.3	17.2	-0.3	14.5
100-200	46.9	36.3	0.0	1.2	-30	-0.1	1.1	35.0	0.0	19.0
200-500	39.9	47.6	-0.2	-2.5	400	0.6	0.5	13.5	0.2	23.9
500-1,000	45.0	43.2	-0.1	-0.3	600	0.3	0.1	3.6	0.1	28.7
More than 1,000	48.8	38.4	0.0	-0.2	940	0.1	0.5	14.8	0.0	33.3
All	81.1	9.2	0.5	100.0	-250	-3.3	0.0	100.0	-0.4	12.2

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	750	3.2	6,870	0.4	-710	-0.3	7,580	0.5	-10.4
10-20	3,040	13.1	15,830	3.5	-1,870	-3.3	17,710	4.5	-11.8
20-30	3,950	17.0	25,440	7.4	-1,170	-2.7	26,600	8.8	-4.6
30-40	3,570	15.4	35,580	9.3	1,180	2.4	34,410	10.3	3.3
40-50	2,710	11.7	45,800	9.1	3,240	5.1	42,560	9.7	7.1
50-75	4,270	18.3	62,610	19.6	6,960	17.2	55,650	19.9	11.1
75-100	2,240	9.6	87,850	14.4	13,020	16.9	74,830	14.1	14.8
100-200	2,300	9.9	133,840	22.5	25,420	33.9	108,420	20.9	19.0
200-500	350	1.5	265,510	6.9	63,120	12.9	202,390	6.0	23.8
500-1,000	30	0.1	685,500	1.6	195,830	3.5	489,670	1.3	28.6
More than 1,000	10	0.1	5,257,670	5.4	1,747,840	14.3	3,509,830	4.2	33.2
All	23,270	100.0	58,680	100.0	7,410	100.0	51,270	100.0	12.6

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. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

(4) 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.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	85.2	0.0	1.0	0.8	-70	9.8	0.0	-0.1	-1.1	-12.6
10-20	93.7	*	1.0	7.5	-180	8.9	-0.1	-0.7	-1.1	-13.6
20-30	94.7	0.9	1.0	16.0	-280	21.2	-0.1	-0.7	-1.1	-6.2
30-40	92.0	2.2	1.0	16.8	-340	-50.7	-0.1	0.1	-1.0	0.9
40-50	89.7	3.1	0.9	15.7	-390	-13.9	-0.1	0.7	-0.9	5.3
50-75	84.0	7.0	0.7	30.2	-410	-6.2	-0.2	3.5	-0.7	9.9
75-100	75.7	15.3	0.6	22.3	-420	-3.4	-0.1	4.8	-0.5	13.5
100-200	64.8	28.3	0.3	38.1	-300	-1.2	-0.1	24.3	-0.2	17.6
200-500	41.1	54.3	-0.2	-30.7	520	0.8	0.5	29.5	0.2	22.8
500-1,000	33.0	62.4	-0.3	-12.1	1,490	0.8	0.2	12.0	0.2	28.3
More than 1,000	37.5	57.6	-0.1	-5.4	1,600	0.2	0.2	26.4	0.1	33.1
All	75.8	17.2	0.2	100.0	-190	-0.8	0.0	100.0	-0.2	19.9

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,140	2.1	6,650	0.1	-760	-0.1	7,410	0.2	-11.4
10-20	4,310	8.1	15,830	1.0	-1,970	-0.6	17,800	1.4	-12.5
20-30	5,900	11.0	25,500	2.2	-1,300	-0.6	26,800	2.9	-5.1
30-40	4,970	9.3	35,570	2.6	680	0.3	34,890	3.2	1.9
40-50	4,080	7.6	45,940	2.8	2,830	0.9	43,110	3.3	6.2
50-75	7,500	14.0	63,130	7.0	6,630	3.7	56,500	7.9	10.5
75-100	5,380	10.1	88,910	7.1	12,420	4.9	76,490	7.6	14.0
100-200	12,810	24.0	144,620	27.5	25,750	24.4	118,870	28.2	17.8
200-500	5,940	11.1	291,760	25.7	65,990	29.0	225,770	24.9	22.6
500-1,000	820	1.5	692,280	8.4	194,620	11.8	497,670	7.6	28.1
More than 1,000	340	0.6	3,141,940	15.9	1,036,810	26.2	2,105,140	13.3	33.0
All	53,430	100.0	126,320	100.0	25,300	100.0	101,020	100.0	20.0

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. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

(4) 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.

(5) 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 T17-0197
Guaranteed Retirement Account with \$600 Credit (Present-Value Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2018 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Level (thousands of 2017 dollars) ²	Percent of Tax Units ³		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Tax cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	8.8	0.0	0.1	0.5	-10	-6.8	0.0	0.0	-0.1	1.6
10-20	7.1	*	0.1	2.8	-10	-3.9	0.0	0.3	-0.1	1.4
20-30	10.7	0.1	0.1	4.9	-20	-2.7	0.0	0.8	-0.1	2.4
30-40	17.9	0.4	0.1	6.2	-30	-2.8	0.0	0.9	-0.1	3.4
40-50	24.0	0.7	0.1	7.3	-50	-2.2	0.0	1.4	-0.1	5.1
50-75	29.7	1.4	0.1	20.1	-80	-1.7	-0.1	4.9	-0.1	7.5
75-100	36.8	4.5	0.2	20.5	-120	-1.2	-0.1	7.1	-0.1	11.0
100-200	42.6	9.7	0.1	37.8	-150	-0.7	-0.1	23.4	-0.1	15.9
200-500	42.8	25.6	0.0	2.0	-30	0.0	0.1	21.4	0.0	22.2
500-1,000	41.0	34.1	-0.1	-3.1	280	0.2	0.1	9.2	0.0	27.7
More than 1,000	50.9	28.0	0.0	-0.8	130	0.0	0.1	30.3	0.0	33.5
All	23.1	3.5	0.1	100.0	-60	-0.4	0.0	100.0	-0.1	16.5

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

Expanded Cash Income Level (thousands of 2017 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	1,940	4.4	5,390	0.3	90	0.0	5,300	0.4	1.8
10-20	7,590	17.3	15,940	3.5	240	0.3	15,700	4.1	1.5
20-30	7,360	16.7	25,200	5.3	610	0.8	24,590	6.2	2.4
30-40	4,590	10.5	35,400	4.7	1,220	1.0	34,180	5.4	3.4
40-50	3,460	7.9	45,710	4.5	2,360	1.4	43,340	5.1	5.2
50-75	5,990	13.6	62,870	10.8	4,810	5.0	58,060	11.9	7.7
75-100	4,210	9.6	88,450	10.7	9,840	7.1	78,610	11.4	11.1
100-200	6,110	13.9	139,530	24.4	22,270	23.4	117,270	24.6	16.0
200-500	1,880	4.3	296,830	15.9	65,990	21.4	230,840	14.9	22.2
500-1,000	280	0.6	697,210	5.5	192,560	9.1	504,650	4.8	27.6
More than 1,000	150	0.3	3,489,130	14.9	1,167,900	30.1	2,321,230	11.9	33.5
All	43,950	100.0	79,580	100.0	13,200	100.0	66,370	100.0	16.6

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. The proposal would repeal Retirement Savings Contributions Credit, exclusion from income tax of elective contributions to employees' defined contribution plans, and income tax deduction based on contributions to self-employed defined contribution plans and Individual Retirement Accounts (IRAs). The proposal would mandate contributions to a Guaranteed Retirement Account (GRA) for any employee or self-employed without a defined benefit pension plan. The mandate would require earners to contribute 1.5% of their combined earnings and self-employment income up to \$3,750. In addition, their employers must contribute 1.5% of employees' earnings up to \$3,750 when earnings are at least \$20,000; otherwise, the required employer contribution would be the smaller between 2% of earnings and \$300. Individuals with self-employment income must make contributions on their own behalf in lieu of employers under the same rule. All GRA employer contributions would be exempt from income and payroll tax. Participants would be eligible for a refundable tax credit which is the smaller between the credit limit and their GRA employee contributions. The GRA employee contributions not qualified for the tax credit would be deductible for income tax purpose. The proposal would allow individuals and their employers to contribute more than the GRA contribution limits, but the combined GRA and non-GRA contributions must not exceed relevant (defined contributions pension or IRA) contribution limits. GRA employer contributions for employees would be exempt from income and payroll tax, but only exempt from only income tax for self-employed. Investment returns from all GRA contributions and non-GRA employer contributions would be exempt from income tax but withdrawals of principals and accumulated earnings would be taxable. In contrast, non-GRA elective contributions would be taxable and treated as tax-deferred contributions, i.e. investment returns accumulated tax-free but taxable upon withdrawals while withdrawals of principals would be tax exempt. Retirement savings made prior to the proposal's effective date would be governed by the current law. The proposal would be effective for new contributions beginning on 1/1/2018. The credit amount under this proposal would be \$600. The tax parameters stated above are in 2016 dollars and would be indexed by CPI-U.

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

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(5) 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.