

Table T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.4	99.6	0.0	0.4	*	0.2	1.0	1.0	4.4	4.5
Second Quintile	2.9	97.1	0.1	6.3	30	0.7	4.1	4.1	8.9	9.0
Middle Quintile	8.1	91.9	0.2	22.0	120	0.9	9.9	9.9	13.8	14.0
Fourth Quintile	10.9	89.1	0.2	32.7	210	0.8	16.6	16.6	16.9	17.1
Top Quintile	6.3	93.7	0.1	38.5	300	0.2	68.4	68.3	26.0	26.1
All	5.0	95.0	0.1	100.0	110	0.4	100.0	100.0	20.0	20.1
Addendum										
80-90	8.4	91.6	0.1	18.4	270	0.6	13.2	13.3	19.7	19.9
90-95	5.4	94.6	0.1	8.9	280	0.4	9.6	9.6	21.8	21.9
95-99	3.0	97.0	0.1	9.9	400	0.3	15.2	15.2	25.4	25.5
Top 1 Percent	0.9	99.1	0.0	1.4	230	0.0	30.4	30.3	32.9	32.9
Top 0.1 Percent	0.1	99.9	0.0	0.1	180	0.0	13.7	13.7	32.9	32.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2027 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	50,190	26.9	20,480	4.4	910	1.0	19,570	5.3	4.4	
Second Quintile	42,290	22.7	50,580	9.2	4,510	4.1	46,070	10.4	8.9	
Middle Quintile	36,880	19.8	90,630	14.3	12,540	9.9	78,090	15.4	13.8	
Fourth Quintile	30,280	16.2	151,060	19.6	25,570	16.6	125,490	20.4	16.9	
Top Quintile	25,810	13.8	477,190	52.7	124,020	68.4	353,170	48.8	26.0	
All	#####	100.0	125,120	100.0	25,080	100.0	100,050	100.0	20.0	
Addendum										
80-90	13,370	7.2	234,500	13.4	46,300	13.2	188,200	13.5	19.7	
90-95	6,290	3.4	325,770	8.8	71,120	9.6	254,660	8.6	21.8	
95-99	4,930	2.6	567,980	12.0	144,190	15.2	423,790	11.2	25.4	
Top 1 Percent	1,220	0.7	3,561,250	18.5	1,170,690	30.4	2,390,560	15.6	32.9	
Top 0.1 Percent	120	0.1	15,942,810	8.4	5,244,560	13.7	10,698,250	7.0	32.9	

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

Number of AMT Taxpayers (millions). Baseline: 6

Proposal: 6.1

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

(1) Calendar year. Baseline is current law. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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% \$28,100; 40% \$54,700; 60% \$93,200; 80% \$154,900; 90% \$225,400; 95% \$304,600; 99% \$912,100; 99.9% \$5,088,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.2	99.8	0.0	0.1	*	0.1	0.4	0.4	2.3	2.3
Second Quintile	2.1	97.9	0.0	2.9	10	0.4	3.1	3.1	8.0	8.1
Middle Quintile	7.1	92.9	0.1	14.7	80	0.8	8.0	8.0	12.5	12.6
Fourth Quintile	9.7	90.3	0.2	32.4	180	0.9	15.9	16.0	16.3	16.4
Top Quintile	7.3	92.7	0.1	49.9	300	0.3	72.5	72.4	25.6	25.7
All	5.0	95.0	0.1	100.0	110	0.4	100.0	100.0	20.0	20.1
Addendum										
80-90	9.0	91.0	0.2	20.3	240	0.6	13.9	14.0	19.5	19.6
90-95	7.2	92.9	0.1	11.6	270	0.5	10.7	10.7	21.5	21.6
95-99	4.5	95.5	0.1	15.9	480	0.4	16.7	16.7	25.1	25.2
Top 1 Percent	1.1	98.9	0.0	2.1	300	0.0	31.2	31.0	32.7	32.7
Top 0.1 Percent	0.2	99.8	0.0	0.1	170	0.0	14.5	14.4	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 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	40,420	21.7	19,060	3.3	440	0.4	18,620	4.0	2.3	
Second Quintile	40,050	21.5	44,880	7.7	3,610	3.1	41,270	8.9	8.0	
Middle Quintile	37,180	19.9	80,360	12.8	10,040	8.0	70,320	14.0	12.5	
Fourth Quintile	34,780	18.6	131,670	19.6	21,430	15.9	110,240	20.5	16.3	
Top Quintile	33,020	17.7	401,680	56.8	102,760	72.5	298,920	52.9	25.6	
All	186,640	100.0	125,120	100.0	25,080	100.0	100,050	100.0	20.0	
Addendum										
80-90	16,750	9.0	199,670	14.3	38,920	13.9	160,750	14.4	19.5	
90-95	8,380	4.5	278,520	10.0	59,840	10.7	218,680	9.8	21.5	
95-99	6,490	3.5	480,930	13.4	120,570	16.7	360,370	12.5	25.1	
Top 1 Percent	1,400	0.8	3,188,810	19.1	1,041,050	31.2	2,147,770	16.1	32.7	
Top 0.1 Percent	140	0.1	14,215,210	8.8	4,688,120	14.5	9,527,100	7.4	33.0	

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

Number of AMT Taxpayers (millions). Baseline: 6 Proposal: 6.1

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

(1) Calendar year. Baseline is current law. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.2	99.8	0.0	0.2	*	0.1	2.5	2.5	7.1	7.1
Second Quintile	1.3	98.7	0.0	2.6	10	0.3	6.1	6.0	7.5	7.5
Middle Quintile	5.4	94.6	0.1	15.2	70	0.9	13.1	13.1	12.4	12.6
Fourth Quintile	8.6	91.4	0.3	32.1	200	1.2	20.1	20.2	17.1	17.3
Top Quintile	7.7	92.3	0.2	49.9	390	0.7	58.1	58.0	24.7	24.9
All	3.6	96.4	0.2	100.0	90	0.8	100.0	100.0	17.4	17.6
Addendum										
80-90	8.9	91.1	0.2	20.4	280	1.0	16.1	16.2	20.5	20.7
90-95	7.5	92.5	0.3	12.5	420	1.0	9.8	9.8	21.9	22.1
95-99	5.1	94.9	0.3	14.1	630	0.8	13.7	13.7	24.7	24.9
Top 1 Percent	2.1	97.9	0.1	2.9	900	0.1	18.4	18.3	33.0	33.1
Top 0.1 Percent	0.8	99.2	0.0	0.3	840	0.0	8.8	8.7	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹

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	25,710	27.6	14,650	6.1	1,040	2.5	13,610	6.9	7.1	
Second Quintile	24,410	26.2	35,610	14.1	2,680	6.1	32,930	15.8	7.5	
Middle Quintile	18,580	20.0	60,990	18.3	7,590	13.1	53,400	19.4	12.4	
Fourth Quintile	13,310	14.3	95,440	20.6	16,300	20.1	79,140	20.6	17.1	
Top Quintile	10,430	11.2	242,640	41.0	60,010	58.1	182,630	37.3	24.7	
All	93,140	100.0	66,360	100.0	11,580	100.0	54,790	100.0	17.4	
Addendum										
80-90	5,910	6.3	143,620	13.7	29,440	16.1	114,180	13.2	20.5	
90-95	2,440	2.6	198,710	7.8	43,450	9.8	155,260	7.4	21.9	
95-99	1,830	2.0	327,380	9.7	80,950	13.7	246,430	8.8	24.7	
Top 1 Percent	260	0.3	2,316,840	9.7	765,500	18.4	1,551,340	7.9	33.0	
Top 0.1 Percent	30	0.0	10,435,690	4.6	3,446,300	8.8	6,989,390	3.8	33.0	

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. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

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(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2017 dollars): 20% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.3	99.7	0.0	0.1	*	0.3	0.1	0.1	1.2	1.2
Second Quintile	3.9	96.1	0.1	2.3	30	0.5	1.4	1.4	8.7	8.7
Middle Quintile	9.3	90.7	0.1	12.1	100	0.8	5.0	5.0	12.1	12.1
Fourth Quintile	10.8	89.2	0.1	33.1	190	0.8	13.6	13.7	15.7	15.8
Top Quintile	7.1	92.9	0.1	52.5	250	0.2	79.9	79.8	25.8	25.8
All	7.5	92.5	0.1	100.0	150	0.3	100.0	100.0	21.9	21.9
Addendum										
80-90	9.3	90.7	0.1	21.8	220	0.5	13.5	13.5	19.0	19.1
90-95	7.2	92.9	0.1	11.0	200	0.3	11.4	11.4	21.3	21.3
95-99	3.6	96.4	0.1	18.1	410	0.3	18.7	18.7	25.1	25.2
Top 1 Percent	0.8	99.2	0.0	1.7	150	0.0	36.3	36.2	32.6	32.6
Top 0.1 Percent	*	**	0.0	0.0	10	0.0	16.4	16.3	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹

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	5,640	8.7	28,010	1.1	340	0.1	27,670	1.4	1.2	
Second Quintile	7,840	12.1	63,850	3.4	5,540	1.4	58,310	4.0	8.7	
Middle Quintile	12,690	19.6	105,370	9.1	12,700	5.0	92,680	10.2	12.1	
Fourth Quintile	17,550	27.2	159,460	19.0	25,010	13.6	134,460	20.5	15.7	
Top Quintile	20,560	31.8	486,480	67.8	125,290	79.9	361,200	64.4	25.8	
All	64,660	100.0	228,230	100.0	49,870	100.0	178,370	100.0	21.9	
Addendum										
80-90	9,670	15.0	236,000	15.5	44,890	13.5	191,110	16.0	19.0	
90-95	5,470	8.5	315,660	11.7	67,100	11.4	248,560	11.8	21.3	
95-99	4,350	6.7	551,900	16.3	138,690	18.7	413,210	15.6	25.1	
Top 1 Percent	1,070	1.7	3,361,240	24.3	1,096,090	36.3	2,265,150	21.0	32.6	
Top 0.1 Percent	110	0.2	15,125,960	10.8	4,994,760	16.4	10,131,200	9.3	33.0	

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. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After- Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.1	99.9	0.0	0.1	0	0.0	-4.6	-4.6	-5.3	-5.3
Second Quintile	2.7	97.3	0.0	7.9	20	0.4	12.2	12.1	7.9	7.9
Middle Quintile	7.3	92.7	0.1	26.0	80	0.7	23.2	23.2	13.3	13.4
Fourth Quintile	8.8	91.2	0.1	32.4	160	0.7	27.9	27.9	17.2	17.3
Top Quintile	8.0	92.0	0.2	33.6	360	0.5	41.3	41.3	24.5	24.6
All	3.8	96.2	0.1	100.0	60	0.6	100.0	100.0	13.4	13.5
Addendum										
80-90	6.2	93.8	0.1	9.8	170	0.4	13.1	13.1	20.3	20.4
90-95	6.5	93.5	0.2	10.9	490	0.8	8.3	8.3	23.1	23.3
95-99	21.0	79.0	0.3	12.1	1,020	1.0	7.2	7.2	25.0	25.3
Top 1 Percent	2.5	97.5	0.0	0.9	430	0.0	12.7	12.6	32.3	32.3
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	6.8	6.8	32.6	32.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027¹

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	8,540	34.1	26,580	11.8	-1,400	-4.6	27,980	14.3	-5.3	
Second Quintile	7,080	28.3	56,290	20.7	4,430	12.2	51,860	22.0	7.9	
Middle Quintile	4,930	19.7	91,060	23.3	12,150	23.2	78,910	23.3	13.3	
Fourth Quintile	3,050	12.2	137,660	21.8	23,620	27.9	114,050	20.8	17.2	
Top Quintile	1,390	5.5	313,880	22.6	76,900	41.3	236,980	19.7	24.5	
All	25,020	100.0	77,090	100.0	10,310	100.0	66,780	100.0	13.4	
Addendum										
80-90	850	3.4	196,850	8.6	39,980	13.1	156,870	8.0	20.3	
90-95	330	1.3	279,200	4.8	64,540	8.3	214,660	4.3	23.1	
95-99	180	0.7	422,920	3.9	105,780	7.2	317,150	3.3	25.0	
Top 1 Percent	30	0.1	3,255,020	5.3	1,051,040	12.7	2,203,980	4.1	32.3	
Top 0.1 Percent	*	0.0	16,897,630	2.8	5,515,100	6.8	11,382,530	2.2	32.6	

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. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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 2017 dollars): 20% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.1	99.9	0.0	0.1	0	0.0	-0.9	-0.9	-4.9	-4.9
Second Quintile	4.0	96.1	0.1	6.5	30	0.5	3.1	3.1	8.5	8.6
Middle Quintile	9.7	90.3	0.1	24.2	100	0.7	8.4	8.4	13.8	13.9
Fourth Quintile	8.4	91.7	0.1	36.7	160	0.5	15.9	16.0	17.5	17.6
Top Quintile	3.5	96.5	0.0	32.4	150	0.1	73.5	73.4	27.0	27.0
All	5.0	95.1	0.1	100.0	80	0.2	100.0	100.0	21.0	21.1
Addendum										
80-90	4.9	95.1	0.1	16.9	160	0.3	13.7	13.7	20.5	20.6
90-95	2.8	97.2	0.1	7.6	150	0.2	9.8	9.7	22.6	22.6
95-99	1.6	98.4	0.0	7.5	190	0.1	16.4	16.4	26.9	26.9
Top 1 Percent	0.5	99.5	0.0	0.5	50	0.0	33.6	33.5	33.3	33.3
Top 0.1 Percent	0.0	100.0	0.0	0.0	0	0.0	14.3	14.3	33.0	33.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 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	12,600	22.6	27,980	3.7	-1,380	-0.9	29,360	4.9	-4.9	
Second Quintile	11,490	20.6	62,710	7.5	5,350	3.1	57,360	8.7	8.5	
Middle Quintile	11,090	19.9	109,890	12.7	15,190	8.4	94,700	13.9	13.8	
Fourth Quintile	10,430	18.7	176,080	19.2	30,750	15.9	145,330	20.0	17.5	
Top Quintile	9,880	17.7	554,850	57.2	149,740	73.5	405,120	52.9	27.0	
All	55,700	100.0	172,060	100.0	36,170	100.0	135,890	100.0	21.0	
Addendum										
80-90	5,070	9.1	266,040	14.1	54,540	13.7	211,500	14.2	20.5	
90-95	2,400	4.3	362,750	9.1	81,790	9.8	280,950	8.9	22.6	
95-99	1,870	3.4	656,480	12.8	176,510	16.4	479,970	11.9	26.9	
Top 1 Percent	540	1.0	3,786,310	21.2	1,258,990	33.6	2,527,320	17.9	33.3	
Top 0.1 Percent	50	0.1	17,365,000	9.1	5,727,360	14.3	11,637,640	7.7	33.0	

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. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(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 T18-0046
Tax Benefit of the Itemized Deduction for Medical Expenses
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Benefit as a Percent of After-Tax Income ⁵	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	0.3	99.7	0.0	0.1	*	0.4	0.3	0.3	1.8	1.8
Second Quintile	1.4	98.6	0.0	1.5	10	0.9	1.5	1.5	2.3	2.3
Middle Quintile	6.5	93.5	0.1	11.7	80	2.0	5.3	5.4	5.8	5.9
Fourth Quintile	13.6	86.4	0.3	33.2	300	2.3	13.6	13.8	11.2	11.4
Top Quintile	13.3	86.7	0.2	53.5	600	0.6	79.1	78.8	24.4	24.5
All	6.3	93.8	0.2	100.0	160	0.9	100.0	100.0	16.2	16.4
Addendum										
80-90	16.1	83.9	0.3	20.8	470	1.6	11.8	11.9	16.0	16.3
90-95	13.4	86.6	0.3	13.3	590	1.2	9.9	10.0	18.8	19.1
95-99	8.5	91.5	0.3	16.5	940	1.0	16.1	16.1	23.1	23.3
Top 1 Percent	2.4	97.6	0.0	2.8	640	0.1	41.3	40.9	32.1	32.2
Top 0.1 Percent	0.3	99.7	0.0	0.1	90	0.0	22.0	21.8	32.6	32.6

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2027 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	8,780	15.5	17,670	2.6	310	0.3	17,350	3.0	1.8	
Second Quintile	16,320	28.7	38,650	10.4	890	1.5	37,770	12.1	2.3	
Middle Quintile	12,880	22.7	70,220	14.9	4,090	5.3	66,130	16.7	5.8	
Fourth Quintile	10,210	18.0	118,050	19.8	13,160	13.6	104,880	21.0	11.2	
Top Quintile	8,100	14.3	396,180	52.7	96,500	79.1	299,670	47.6	24.4	
All	56,780	100.0	107,160	100.0	17,400	100.0	89,750	100.0	16.2	
Addendum										
80-90	4,050	7.1	179,710	12.0	28,750	11.8	150,960	12.0	16.0	
90-95	2,040	3.6	254,970	8.6	47,970	9.9	207,000	8.3	18.8	
95-99	1,600	2.8	430,800	11.3	99,340	16.1	331,470	10.4	23.1	
Top 1 Percent	400	0.7	3,184,620	20.9	1,023,580	41.3	2,161,030	16.9	32.1	
Top 0.1 Percent	50	0.1	13,567,330	11.0	4,416,340	22.0	9,150,990	8.8	32.6	

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. Table shows the tax benefit of the itemized deduction for medical expenses in excess of 10 percent of adjusted gross income (AGI)

<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% \$20,200; 40% \$36,700; 60% \$60,200; 80% \$95,400; 90% \$135,200; 95% \$186,800; 99% \$499,400; 99.9% \$2,893,900.

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