

Table T21-0067
Major Tax Provisions in the Administration's FY2022 Budget Proposal
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Percentile, 2031¹
Baseline: Current Law

Expanded Cash Income Percentile ^{2,3}	Tax Units		Tax Units with Tax Increase or Cut ⁴				Average Tax Change (Dollars) For all Tax Units	
	Number (thousands)	Percent of Total	With Tax Cut		With Tax Increase		All Provisions ⁵	Major Provisions Included Here ⁶
			Pct of Tax Units	Avg Tax Change (\$)	Pct of Tax Units	Avg Tax Change (\$)		
Lowest Quintile	49,010	25.5	40.3	-660	41.3	120	-220	-220
Second Quintile	42,030	21.8	14.5	-910	83.5	260	80	90
Middle Quintile	40,460	21.0	5.4	-1,620	94.4	500	360	380
Fourth Quintile	32,960	17.1	4.5	-1,690	95.4	1,020	870	900
Top Quintile	26,630	13.8	2.6	-800	97.4	12,960	12,620	12,600
All	192,590	100.0	15.9	-830	78.9	2,720	2,010	2,020
Addendum								
80-90	13,680	7.1	4.1	-840	95.8	1,850	1,700	1,740
90-95	6,700	3.5	1.7	-580	98.2	3,220	3,110	3,150
95-99	5,010	2.6	*	**	100.0	7,970	7,900	7,970
Top 1 Percent	1,230	0.6	0.0	n/a	100.0	203,880	205,140	203,860
Top 0.1 Percent	130	0.1	0.0	n/a	100.0	1,455,270	1,468,860	1,455,270

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0521-1).

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

(1) Calendar year. Baseline is the law currently in place as of 8 June 2021.

<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 2020 dollars): 20% \$28,300; 40% \$56,300; 60% \$98,800; 80% \$173,400; 90% \$251,700; 95% \$364,700; 99% \$867,900; 99.9% \$4,032,300.

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

(5) Includes provisions as described in Treasury's General Explanations of the Administration's Fiscal Year 2022 Revenue Proposals (the "Green Book") with the exception of: provisions related to tax compliance, tax administration, and the premium tax credit.

(6) Due to data limitations, in addition to the provisions outlined in note (5), we also exclude the following provisions: extend and modify the nonbusiness energy property credit; extend and modify the residential energy efficient credit; establish tax credits for heavy- and medium-duty zero emission vehicles; extend and enhance the electric vehicle charging station credit; increase the employer-provided childcare tax credit for businesses; provide disaster mitigation tax credit; reform taxation of foreign fossil fuel income; limit foreign tax credits for sales of hybrid entities; restrict deductions of excessive interest of members of financial reporting; extend and modify the renewable energy investment credit; provide tax credit for electricity transmission investments; establish new tax credits for qualifying advanced energy manufacturing; provide tax credits for mechanical insulation labor costs; expand the Low-Income Housing Tax Credit; provide Neighborhood Homes Investment Tax Credit; make permanent the New Markets Tax Credit; provide federally subsidized state and local bonds for infrastructure; eliminate tax preferences for fossil fuels; tax carried interest as ordinary income; and repeal deferral of gain from like-kind exchanges.