

Table T21-0242
Major Tax Provisions in the Ways and Means Committee Budget Reconciliation Legislative Recommendations
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Level, 2026¹
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	48,270	26.1	29.7	-910	35.2	60	-260	-250
Second Quintile	40,270	21.7	12.6	-1,200	81.2	120	-130	-60
Middle Quintile	38,410	20.7	5.5	-1,800	93.7	230	30	120
Fourth Quintile	31,330	16.9	5.7	-1,960	94.3	480	230	340
Top Quintile	25,460	13.7	4.4	-1,480	95.6	6,700	6,210	6,340
All	185,260	100.0	13.3	-1,150	75.8	1,370	810	890
Addendum								
80-90	13,040	7.0	6.5	-1,660	93.4	870	550	710
90-95	6,400	3.5	3.7	-910	96.3	1,390	1,090	1,310
95-99	4,840	2.6	0.6	-870	99.4	4,280	3,880	4,250
Top 1 Percent	1,180	0.6	0.0	0	100.0	104,060	105,570	104,060
Top 0.1 Percent	120	0.1	0.0	0	100.0	752,890	764,110	752,890

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-2).

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

(1) Calendar year. Baseline is the law currently in place as of September 26, 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% \$27,600; 40% \$54,500; 60% \$98,000; 80% \$180,100; 90% \$262,200; 95% \$380,000; 99% \$879,400; 99.9% \$4,044,100.

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

(5) Includes provisions contained in JCX-42-21 except: provisions related to expanding access to health coverage; Subtitle F: Part 7; Subtitle I: Part 4, item 4; Subtitle I: Part 5, item 7; Subtitle J; and most provisions with a revenue change of less than \$50 million in the years of our analysis. Also includes the following provisions from JCX-35-21: Subtitle B: Part A, item 3 and Subtitle B: Part B, item 1.

(6) Includes following provisions from JCX-42-21: Subtitle G: Part 1, item 1; Subtitle G: Part 2, items 1-2; Subtitle G: Part 7; Includes Subtitle H, Part 1; Subtitle H, Part 2, item 2; Subtitle H, Part 3, item 2; Subtitle H, Part 4, item 1; Subtitle I: Parts 1A-1C; Subtitle I: Part 1E, items 2 and 7; Subtitle I: Part 2, items 1-7; and Subtitle I: Part 5, item 16.