

Table T21-0299
Phase out Benefit of \$80,000 SALT Limit Starting at AGI of \$900,000 MFJ/\$450,000 Single/\$675,000 HoH in
Major Tax Provisions in H.R.5376, The Build Back Better Act as Reported by the Committee on the
Budget, with Modifications (Rules Committee Print 117-18 as Amended by 117-19: November 4, 2021)
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Percentile, 2022¹
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	47,360	26.4	36.4	-1,840	5.5	30	-700	-670
Second Quintile	39,000	21.7	33.3	-2,380	15.0	50	-840	-790
Middle Quintile	36,630	20.4	28.6	-2,240	22.8	70	-680	-630
Fourth Quintile	30,160	16.8	45.8	-1,700	30.3	110	-830	-750
Top Quintile	24,880	13.9	63.5	-2,850	29.9	10,860	1,320	1,440
All	179,520	100.0	39.4	-2,190	18.7	2,460	-470	-410
Addendum								
80-90	12,750	7.1	61.0	-1,640	29.3	170	-1,070	-950
90-95	6,230	3.5	65.2	-2,220	29.4	230	-1,550	-1,380
95-99	4,770	2.7	76.1	-5,510	22.5	1,820	-4,050	-3,780
Top 1 Percent	1,140	0.6	29.5	-9,530	69.5	97,690	66,050	65,110
Top 0.1 Percent	120	0.1	5.2	-440	94.6	622,680	602,760	589,070

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 December 14, 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% \$27,200; 40% \$53,900; 60% \$96,700; 80% \$176,400; 90% \$257,500; 95% \$369,300; 99% \$884,900; 99.9% \$3,998,700.

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

(5) Includes provisions contained in JCX-45-21 except: provisions related to expanding access to health coverage; Subtitle E, Part 4, item 1; Subtitle H, Part 5, item 5; and provisions with a revenue change of less than \$50 million in the years of our analysis. In lieu of Subtitle G, Part 6 as amended by Rules Committee Print 117-19, provision would increase the limit on deductible state and local taxes from \$10,000 to \$80,000. Any additional deduction above the amount allowed by the current-law \$10,000 limit would phase out rateably over an adjusted gross income (AGI) range of \$100,000 starting at \$900,000 for married couples filing a joint return (\$450,000 for singles and \$675,000 for heads of household). For married individuals filing a separate return, any additional deduction would phase out between \$450,000 and \$500,000 of AGI.

(6) Includes following provisions from JCX-45-21: Subtitle F, Part 1, item 1; Subtitle F, Part 2; Subtitle F, Part 7; Subtitle G, Part 1; Subtitle G, Part 2, item 1; Subtitle H, Part 1, sections A-C; Subtitle H, Part 1, section E, item 7; Subtitle H, Part 1, section E, item 11; Subtitle H, Part 1, section E, item 13; Subtitle H, Part 2; and Subtitle H, Part 5, item 2. In lieu of Subtitle G, Part 6 as amended by Rules Committee Print 117-19, contains SALT provision as described in above note. For certain proposals, the TPC model is detailed enough to estimate the average tax change by income group but, due to data limitations, we cannot assign the tax change to individual tax units. Thus, the effects of those proposals are not included in our estimate of the percent of tax units with a tax increase or cut.