

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

Table T22-0028
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 ¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	Tax Units		Percent Change in After-Tax Income ⁴	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁵	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
Lowest Quintile	47,910	26.4	0.2	192.8	-40	-0.2	1.0
Second Quintile	40,130	22.1	0.4	612.4	-150	-0.3	7.1
Middle Quintile	37,170	20.4	0.1	363.0	-100	-0.1	13.8
Fourth Quintile	30,090	16.6	0.0	68.8	-20	0.0	17.8
Top Quintile	24,970	13.7	-0.1	-1,122.3	440	0.1	25.6
All	181,810	100.0	0.0	100.0	-10	0.0	19.9
Addendum							
80-90	12,780	7.0	0.0	-91.6	70	0.0	21.0
90-95	6,260	3.5	-0.1	-110.1	170	0.1	23.0
95-99	4,780	2.6	-0.1	-201.3	410	0.1	25.5
Top 1 Percent	1,150	0.6	-0.3	-719.3	6,060	0.2	31.3
Top 0.1 Percent	120	0.1	-0.4	-508.5	41,580	0.3	32.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 0.2

Proposal: 0.2

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

<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 2022 dollars): 20% \$30,500; 40% \$59,700; 60% \$105,800; 80% \$193,300; 90% \$281,400; 95% \$409,100; 99% \$989,400; 99.9% \$4,400,700.

(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 T22-0028
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2023 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	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 ⁶	
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	#####	-40	-18.1	0.0	0.2	-0.2	1.0
Second Quintile	0.4	#####	-150	-4.4	-0.1	3.0	-0.3	7.1
Middle Quintile	0.1	#####	-100	-0.8	-0.1	9.8	-0.1	13.8
Fourth Quintile	0.0	68.8	-20	-0.1	0.0	18.2	0.0	17.8
Top Quintile	-0.1	#####	440	0.4	0.3	68.5	0.1	25.6
All	0.0	#####	-10	0.0	0.0	100.0	0.0	19.9
Addendum								
80-90	0.0	-91.6	70	0.1	0.0	14.8	0.0	21.0
90-95	-0.1	#####	170	0.2	0.0	11.4	0.1	23.0
95-99	-0.1	#####	410	0.3	0.1	16.7	0.1	25.5
Top 1 Percent	-0.3	#####	6,060	0.6	0.2	25.5	0.2	31.3
Top 0.1 Percent	-0.4	#####	41,580	0.9	0.1	12.6	0.3	32.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	47,910	26.4	18,120	4.0	220	0.2	17,910	4.9	1.2
Second Quintile	40,130	22.1	45,260	8.4	3,360	3.1	41,900	9.7	7.4
Middle Quintile	37,170	20.4	83,020	14.2	11,510	9.9	71,510	15.3	13.9
Fourth Quintile	30,090	16.6	147,010	20.4	26,160	18.3	120,850	20.9	17.8
Top Quintile	24,970	13.7	461,650	53.1	117,840	68.2	343,810	49.3	25.5
All	#####	#####	119,530	100.0	23,730	100.0	95,800	100.0	19.9
Addendum									
80-90	12,780	7.0	238,480	14.0	49,930	14.8	188,550	13.8	20.9
90-95	6,260	3.5	342,460	9.9	78,580	11.4	263,880	9.5	22.9
95-99	4,780	2.6	590,170	13.0	150,310	16.7	439,860	12.1	25.5
Top 1 Percent	1,150	0.6	3,046,460	16.2	948,230	25.4	2,098,230	13.9	31.1
Top 0.1 Percent	120	0.1	#####	7.8	4,516,230	12.5	9,748,990	6.7	31.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

<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 breaks are (in 2022 dollars): 20% \$30,500; 40% \$59,700; 60% \$105,800; 80% \$193,300; 90% \$281,400; 95% \$409,100; 99% \$989,400; 99.9% \$4,400,700.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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 T22-0028
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.1	73.5	-20	6.6	0.0	-0.3	-0.1	-1.7	
Second Quintile	0.5	#####	-190	-8.6	-0.2	1.8	-0.5	5.0	
Middle Quintile	0.2	#####	-110	-1.2	-0.1	7.9	-0.2	12.4	
Fourth Quintile	0.0	#####	-30	-0.1	0.0	17.5	0.0	17.3	
Top Quintile	-0.1	#####	370	0.4	0.3	72.8	0.1	25.3	
All	0.0	#####	-10	0.0	0.0	100.0	0.0	19.9	
Addendum									
80-90	0.0	#####	60	0.1	0.0	15.8	0.0	20.8	
90-95	-0.1	#####	140	0.2	0.0	12.3	0.1	22.7	
95-99	-0.1	#####	390	0.3	0.1	18.0	0.1	25.1	
Top 1 Percent	-0.3	#####	5,130	0.6	0.2	26.6	0.2	31.2	
Top 0.1 Percent	-0.4	#####	36,030	0.9	0.1	13.1	0.3	32.0	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	39,980	22.0	17,200	3.2	-270	-0.3	17,470	4.0	-1.6
Second Quintile	37,700	20.7	40,640	7.1	2,210	1.9	38,430	8.3	5.5
Middle Quintile	37,000	20.4	74,010	12.6	9,300	8.0	64,710	13.8	12.6
Fourth Quintile	34,110	18.8	127,800	20.1	22,180	17.5	105,620	20.7	17.4
Top Quintile	31,490	17.3	393,920	57.1	99,380	72.5	294,550	53.3	25.2
All	#####	#####	119,530	100.0	23,730	100.0	95,800	100.0	19.9
Addendum									
80-90	16,060	8.8	204,410	15.1	42,470	15.8	161,940	14.9	20.8
90-95	7,930	4.4	295,290	10.8	66,940	12.3	228,350	10.4	22.7
95-99	6,090	3.4	507,690	14.2	127,220	18.0	380,470	13.3	25.1
Top 1 Percent	1,410	0.8	2,611,660	17.0	808,390	26.5	1,803,270	14.6	31.0
Top 0.1 Percent	140	0.1	#####	8.1	3,929,230	13.0	8,475,690	6.9	31.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JCY-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

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<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 2022 dollars): 20% \$21,500; 40% \$41,600; 60% \$70,700; 80% \$118,300; 90% \$172,800; 95% \$244,500; 99% \$572,700; 99.9% \$2,538,300.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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 T22-0028
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As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.1	17.5	-10	-2.0	0.0	1.0	-0.1	2.9	
Second Quintile	0.4	#####	-130	-5.6	-0.3	4.4	-0.4	7.0	
Middle Quintile	0.1	99.7	-60	-0.8	-0.1	13.6	-0.1	13.6	
Fourth Quintile	0.0	-21.1	20	0.1	0.1	23.2	0.0	18.5	
Top Quintile	-0.2	#####	280	0.4	0.3	57.5	0.1	25.9	
All	0.0	#####	-10	-0.1	0.0	100.0	0.0	18.4	
Addendum									
80-90	-0.1	-34.6	80	0.2	0.1	15.6	0.1	22.0	
90-95	-0.1	-31.4	160	0.3	0.1	10.5	0.1	23.6	
95-99	-0.2	-55.6	400	0.4	0.1	14.0	0.1	26.0	
Top 1 Percent	-0.3	#####	3,850	0.7	0.1	17.5	0.2	33.1	
Top 0.1 Percent	-0.5	-74.1	27,240	1.0	0.1	8.5	0.3	34.0	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	25,970	28.7	13,870	6.1	410	1.0	13,460	7.3	2.9
Second Quintile	20,910	23.1	32,290	11.5	2,390	4.6	29,900	13.0	7.4
Middle Quintile	18,970	20.9	57,210	18.4	7,830	13.7	49,380	19.5	13.7
Fourth Quintile	14,470	16.0	93,650	23.0	17,340	23.2	76,300	23.0	18.5
Top Quintile	9,500	10.5	252,520	40.8	65,190	57.2	187,330	37.1	25.8
All	90,650	#####	64,930	100.0	11,940	100.0	52,980	100.0	18.4
Addendum									
80-90	5,250	5.8	146,030	13.0	32,110	15.6	113,920	12.5	22.0
90-95	2,280	2.5	211,090	8.2	49,620	10.5	161,470	7.7	23.5
95-99	1,640	1.8	353,670	9.9	91,400	13.9	262,270	9.0	25.8
Top 1 Percent	330	0.4	1,743,520	9.7	573,510	17.3	1,170,020	8.0	32.9
Top 0.1 Percent	30	0.0	8,477,640	4.6	2,856,770	8.4	5,620,870	3.7	33.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

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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

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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 2022 dollars): 20% \$21,500; 40% \$41,600; 60% \$70,700; 80% \$118,300; 90% \$172,800; 95% \$244,500; 99% \$572,700; 99.9% \$2,538,300.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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.

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H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.2	-12.9	-50	6.3	0.0	-0.2	-0.2	-3.2	
Second Quintile	0.5	-96.4	-260	-14.0	-0.1	0.5	-0.5	3.0	
Middle Quintile	0.2	-92.7	-180	-1.6	-0.1	4.5	-0.2	11.2	
Fourth Quintile	0.1	-50.7	-70	-0.3	-0.1	14.5	-0.1	16.5	
Top Quintile	-0.1	#####	400	0.3	0.2	80.4	0.1	25.1	
All	0.0	#####	40	0.1	0.0	100.0	0.0	21.3	
Addendum									
80-90	0.0	23.7	60	0.1	0.0	16.3	0.0	20.3	
90-95	-0.1	30.9	140	0.2	0.0	13.5	0.0	22.5	
95-99	-0.1	72.3	400	0.3	0.0	20.7	0.1	24.9	
Top 1 Percent	-0.3	#####	5,060	0.6	0.2	30.0	0.2	30.8	
Top 0.1 Percent	-0.4	#####	35,140	0.9	0.1	14.1	0.3	31.6	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	6,610	10.4	23,190	1.1	-710	-0.2	23,890	1.5	-3.0
Second Quintile	8,540	13.4	53,150	3.3	1,840	0.5	51,310	4.1	3.5
Middle Quintile	12,000	18.8	96,630	8.5	10,950	4.6	85,680	9.6	11.3
Fourth Quintile	16,040	25.1	159,100	18.8	26,280	14.6	132,820	19.9	16.5
Top Quintile	20,110	31.5	461,390	68.2	115,280	80.2	346,120	65.0	25.0
All	63,830	#####	212,990	100.0	45,260	100.0	167,730	100.0	21.3
Addendum									
80-90	9,740	15.3	238,000	17.1	48,230	16.3	189,770	17.3	20.3
90-95	5,180	8.1	336,390	12.8	75,400	13.5	260,990	12.6	22.4
95-99	4,190	6.6	573,250	17.7	142,300	20.6	430,950	16.9	24.8
Top 1 Percent	1,000	1.6	2,806,420	20.7	858,560	29.8	1,947,860	18.3	30.6
Top 0.1 Percent	100	0.2	#####	9.5	4,104,380	14.0	8,981,250	8.2	31.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

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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 2022 dollars): 20% \$21,500; 40% \$41,600; 60% \$70,700; 80% \$118,300; 90% \$172,800; 95% \$244,500; 99% \$572,700; 99.9% \$2,538,300.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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.

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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.1	8.6	-30	1.1	-0.2	-8.1	-0.1	-10.3	
Second Quintile	0.6	86.9	-270	-13.8	-0.9	5.7	-0.5	3.3	
Middle Quintile	0.1	23.2	-110	-1.0	0.0	25.0	-0.1	12.4	
Fourth Quintile	0.0	1.7	-20	-0.1	0.3	30.4	0.0	18.4	
Top Quintile	-0.2	-20.3	420	0.5	0.7	46.9	0.1	25.7	
All	0.2	#####	-100	-1.1	0.0	100.0	-0.1	12.5	
Addendum									
80-90	0.0	-0.9	30	0.1	0.2	14.1	0.0	21.8	
90-95	0.0	-1.1	90	0.1	0.1	7.8	0.0	22.3	
95-99	-0.1	-1.6	310	0.2	0.1	7.1	0.1	26.6	
Top 1 Percent	-0.5	-16.8	11,690	1.0	0.4	18.0	0.3	31.8	
Top 0.1 Percent	-0.7	-15.6	115,570	1.4	0.3	12.0	0.4	32.3	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	6,940	30.1	24,110	9.8	-2,460	-7.9	26,580	12.4	-10.2
Second Quintile	7,360	31.9	50,250	21.6	1,930	6.6	48,320	23.8	3.8
Middle Quintile	5,000	21.7	85,890	25.1	10,730	24.9	75,150	25.2	12.5
Fourth Quintile	2,610	11.3	135,260	20.6	24,890	30.1	110,370	19.3	18.4
Top Quintile	1,100	4.8	354,920	22.8	90,670	46.2	264,250	19.4	25.6
All	23,050	#####	74,130	100.0	9,340	100.0	64,790	100.0	12.6
Addendum									
80-90	670	2.9	204,670	8.1	44,480	13.9	160,190	7.2	21.7
90-95	280	1.2	271,350	4.4	60,340	7.7	211,010	3.9	22.2
95-99	120	0.5	490,920	3.3	130,300	7.0	360,620	2.8	26.5
Top 1 Percent	30	0.1	3,712,530	7.0	1,170,320	17.6	2,542,220	5.5	31.5
Top 0.1 Percent	*	0.0	#####	4.6	8,298,900	11.7	#####	3.6	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JX-18-22, except Subtitle A, Part 3 (IRS Funding); Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

<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 2022 dollars): 20% \$21,500; 40% \$41,600; 60% \$70,700; 80% \$118,300; 90% \$172,800; 95% \$244,500; 99% \$572,700; 99.9% \$2,538,300.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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 T22-0028
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law

Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.1	13.0	-30	1.1	0.0	-1.4	-0.1	-9.6	
Second Quintile	0.6	#####	-290	-12.6	-0.2	1.3	-0.5	3.7	
Middle Quintile	0.2	67.3	-140	-1.1	-0.1	7.6	-0.1	13.2	
Fourth Quintile	0.0	26.5	-60	-0.2	0.0	17.9	0.0	18.7	
Top Quintile	-0.1	#####	360	0.3	0.3	74.5	0.1	26.4	
All	0.0	#####	-40	-0.1	0.0	100.0	0.0	20.7	
Addendum									
80-90	0.0	-1.3	10	0.0	0.0	15.9	0.0	22.0	
90-95	0.0	-7.7	70	0.1	0.0	11.9	0.0	23.8	
95-99	-0.1	-22.1	260	0.1	0.1	18.5	0.0	26.5	
Top 1 Percent	-0.3	#####	5,660	0.6	0.2	28.2	0.2	31.3	
Top 0.1 Percent	-0.4	-97.5	45,600	0.9	0.1	13.1	0.3	31.7	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	10,660	20.8	25,030	3.1	-2,380	-1.4	27,410	4.3	-9.5
Second Quintile	11,230	21.9	54,620	7.1	2,340	1.5	52,290	8.6	4.3
Middle Quintile	10,050	19.6	101,360	11.8	13,520	7.6	87,840	12.9	13.3
Fourth Quintile	9,680	18.9	176,230	19.8	32,990	17.9	143,240	20.3	18.7
Top Quintile	9,340	18.3	536,850	58.2	141,450	74.2	395,400	54.1	26.4
All	51,200	#####	168,190	100.0	34,790	100.0	133,410	100.0	20.7
Addendum									
80-90	4,740	9.3	270,730	14.9	59,530	15.8	211,190	14.6	22.0
90-95	2,270	4.4	390,630	10.3	93,040	11.9	297,590	9.9	23.8
95-99	1,850	3.6	672,220	14.4	177,690	18.5	494,530	13.4	26.4
Top 1 Percent	480	1.0	3,309,950	18.6	1,031,750	28.0	2,278,200	16.1	31.2
Top 0.1 Percent	50	0.1	#####	8.6	5,049,690	13.0	#####	7.4	31.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

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 the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding);

Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds

health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

<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 2022 dollars): 20% \$21,500; 40% \$41,600; 60% \$70,700; 80% \$118,300; 90% \$172,800; 95%

\$244,500; 99% \$572,700; 99.9% \$2,538,300.

(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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 T22-0028
H.R.5376, The Inflation Reduction Act of 2022
As Passed by the Senate
Includes Premium Tax Credit
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	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 ⁶		
			Dollars	Percent ⁵	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal	
Lowest Quintile	0.0	-0.9	-10	-5.4	0.0	0.1	0.0	0.6	
Second Quintile	0.0	-1.8	-10	-0.9	0.0	1.4	0.0	2.7	
Middle Quintile	0.0	0.5	*	0.1	0.0	6.3	0.0	6.9	
Fourth Quintile	-0.1	12.0	80	0.6	0.0	14.1	0.1	11.7	
Top Quintile	-0.3	88.9	760	0.9	0.1	77.5	0.2	23.4	
All	-0.1	#####	120	0.7	0.0	100.0	0.1	16.2	
Addendum									
80-90	-0.2	13.6	230	0.8	0.0	13.2	0.1	16.2	
90-95	-0.2	11.2	400	0.8	0.0	10.2	0.2	18.8	
95-99	-0.2	18.9	830	0.8	0.0	17.4	0.2	22.5	
Top 1 Percent	-0.4	45.2	7,540	0.9	0.1	36.7	0.3	31.2	
Top 0.1 Percent	-0.5	31.0	40,360	1.1	0.1	20.9	0.4	32.3	

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2023 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁴		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	9,640	20.0	17,020	3.3	100	0.1	16,910	3.9	0.6
Second Quintile	11,730	24.3	36,950	8.6	1,010	1.5	35,940	10.0	2.7
Middle Quintile	10,770	22.3	68,480	14.7	4,730	6.3	63,750	16.3	6.9
Fourth Quintile	8,460	17.6	115,960	19.6	13,470	14.1	102,490	20.6	11.6
Top Quintile	6,970	14.5	386,190	53.7	89,730	77.4	296,460	49.1	23.2
All	48,190	#####	104,020	100.0	16,770	100.0	87,250	100.0	16.1
Addendum									
80-90	3,590	7.5	184,520	13.2	29,640	13.2	154,880	13.2	16.1
90-95	1,660	3.5	266,080	8.8	49,690	10.2	216,390	8.6	18.7
95-99	1,360	2.8	461,420	12.5	103,110	17.4	358,310	11.6	22.4
Top 1 Percent	360	0.7	2,686,310	19.1	829,250	36.7	1,857,060	15.8	30.9
Top 0.1 Percent	50	0.1	#####	10.5	3,682,530	20.8	7,846,700	8.5	31.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-1).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is the law currently in place as of August 10, 2022, including the Premium Tax Credit (PTC). TPC's baseline does not generally include the impact of the PTC. Estimate includes provisions in JCT Table JCX-18-22, except Subtitle A, Part 3 (IRS Funding);

Subtitle B (Prescription Drug Pricing Reform); and other provisions with an annual revenue change of less than \$100 million in the years of our analysis. Consistent with TPC's conventions for distributional analysis, estimate of Subtitle C (Affordable Care Act Subsidies) holds health insurance coverage and premiums constant at current-law levels. Thus, the estimate of the enhanced PTC does not include the impact of increased coverage on credits received.

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(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) For income categories for which the baseline tax burden is negative, a positive percent change in average federal tax indicates a net increase in federal subsidies, and a negative percent change indicates a net decrease in federal subsidies.

(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.