

Table T23-0044
Major Individual Income, Payroll, and Estate Tax Provisions in the Administration's FY2024 Budget Proposal
Tax Units with a Tax Increase or Tax Cut, by Expanded Cash Income Percentile, 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	48,590	26.2	29.8	-930	0.0	0	-280	-280
Second Quintile	41,180	22.2	8.4	-890	*	**	-90	-70
Middle Quintile	38,100	20.5	1.3	-920	*	**	-30	-10
Fourth Quintile	30,730	16.6	0.2	-990	0.1	35,300	20	20
Top Quintile	25,380	13.7	*	**	17.5	53,080	9,980	9,280
All	185,520	100.0	10.1	-920	2.4	53,250	1,290	1,190
Addendum								
80-90	13,010	7.0	*	**	0.7	2,120	60	10
90-95	6,360	3.4	*	**	2.7	4,180	310	110
95-99	4,840	2.6	0.0	0	62.2	6,280	4,550	3,900
Top 1 Percent	1,170	0.6	0.0	0	99.6	184,850	195,110	184,100
Top 0.1 Percent	120	0.1	0.0	0	99.9	1,304,010	1,355,880	1,302,830

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

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

(1) Calendar year. Baseline is the law currently in place as of December 28, 2022.

<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% \$31,500; 40% \$62,000; 60% \$110,100; 80% \$199,500; 90% \$289,900; 95% \$416,700; 99% \$1,008,900; 99.9% \$4,536,000.

(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 2024 Revenue Proposals (the "Green Book") with the exception of provisions related to: tax compliance; tax administration; and the premium tax credit. Also excludes provisions with a revenue impact less than \$100 million in the years of our analysis; and three aspects of changes to the child tax credit—the acceleration of benefits due to advance monthly payments, changes to AGI lookback, and provisions related to eligibility.

(6) Due to data limitations, in addition to the provisions outlined in note (5), we also exclude the following provisions: prevent basis shifting by related parties through partnerships; provide a neighborhood homes credit; repeal the expensing of intangible drilling costs; increase geological amortization period for independent producers; repeal expensing of exploration and development costs; prevent excessive accumulations in tax-favored retirement accounts; make the adoption tax credit refundable; modify income, estate, gift, and generation-skipping transfer tax rules for certain trusts; revise rules for valuation of certain property; tax carried interests as ordinary income; repeal deferral of gain from like-kind exchanges; require 100 percent recapture of depreciation deductions for certain depreciable real property; apply the wash sale rules to digital assets; and amend the mark-to-market rules to include digital assets.