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Table T23-0045
Energy Security Individual Tax Credit Provisions in
H.R.5376, The Inflation Reduction Act of 2022 (IRA)
Baseline: Pre-IRA Law
Distribution of Federal Tax Change by Expanded Cash Income Level, 2027 ¹
Summary Table

Expanded Cash Income Level (thousands of 2022 dollars) ²	Tax Units		Percent Change in After-Tax Income ³	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁴	
	Number (thousands)	Percent of Total				Change (%)	Under the Proposal
Less than 10	7,930	4.2	0.0	0.0	0	0.0	4.7
10-20	18,550	9.9	0.0	0.1	0	0.0	3.0
20-30	18,950	10.1	0.0	0.3	*	0.0	4.2
30-40	16,280	8.7	0.0	0.6	*	0.0	6.8
40-50	14,070	7.5	0.0	1.4	-10	0.0	9.3
50-75	26,480	14.2	0.0	5.9	-10	0.0	12.7
75-100	19,570	10.5	0.0	8.6	-20	0.0	15.2
100-200	37,580	20.1	0.0	29.3	-40	0.0	18.5
200-500	21,550	11.5	0.0	38.0	-100	0.0	23.1
500-1,000	3,080	1.7	0.0	10.6	-190	0.0	28.1
More than 1,000	1,210	0.7	0.0	5.2	-240	0.0	31.9
All	186,800	100.0	0.0	100.0	-30	0.0	21.0

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

Number of AMT Taxpayers (millions). Baseline: 7.7

Proposal: 7.7

(1) Calendar year. Baseline is the law in place before the enactment of the Inflation Reduction Act of 2022.

Provisions include: clean vehicle credit; credit for previously-owned qualified plug-in electric drive motor vehicles; extension, increase, and modifications of nonbusiness energy property credit; extension of residential clean energy efficient credit; and extension, increase, and modifications of new energy efficient home credit.

For more information on TPC's baseline definitions, see:

<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) 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.

(4) 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: Pre-IRA Law
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Detail Table

Expanded Cash Income Level (thousands of 2022 dollars) ²	Percent Change in After-Tax Income ³	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁵	
			Dollars	Percent ⁴	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Less than 10	0.0	0.0	0	0.0	0.0	0.0	0.0	4.7
10-20	0.0	0.1	0	-0.1	0.0	0.2	0.0	3.0
20-30	0.0	0.3	*	-0.1	0.0	0.4	0.0	4.2
30-40	0.0	0.6	*	-0.1	0.0	0.8	0.0	6.8
40-50	0.0	1.4	-10	-0.1	0.0	1.3	0.0	9.3
50-75	0.0	5.9	-10	-0.1	0.0	4.4	0.0	12.7
75-100	0.0	8.6	-20	-0.2	0.0	5.5	0.0	15.2
100-200	0.0	29.3	-40	-0.2	0.0	20.9	0.0	18.5
200-500	0.0	38.0	-100	-0.1	0.0	30.6	0.0	23.1
500-1,000	0.0	10.6	-190	-0.1	0.0	12.2	0.0	28.1
More than 1,000	0.0	5.2	-240	0.0	0.0	23.4	0.0	31.9
All	0.0	100.0	-30	-0.1	0.0	100.0	0.0	21.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Level, 2027 ¹

Expanded Cash Income Level (thousands of 2022 dollars) ²	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ³		Average Federal Tax Rate ⁵
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Less than 10	7,930	4.2	6,090	0.2	290	0.0	5,800	0.2	4.7
10-20	18,550	9.9	17,310	1.3	520	0.2	16,790	1.6	3.0
20-30	18,950	10.1	28,170	2.1	1,190	0.4	26,980	2.6	4.2
30-40	16,280	8.7	39,460	2.5	2,680	0.8	36,780	3.0	6.8
40-50	14,070	7.5	50,810	2.8	4,750	1.3	46,070	3.3	9.4
50-75	26,480	14.2	69,840	7.3	8,910	4.4	60,930	8.1	12.8
75-100	19,570	10.5	98,250	7.6	14,920	5.5	83,330	8.2	15.2
100-200	37,580	20.1	159,230	23.7	29,560	20.9	129,680	24.4	18.6
200-500	21,550	11.5	326,050	27.8	75,530	30.6	250,520	27.1	23.2
500-1,000	3,080	1.7	748,370	9.1	210,340	12.2	538,030	8.3	28.1
More than 1,000	1,210	0.7	3,216,790	15.5	1,026,490	23.4	2,190,300	13.3	31.9
All	#####	100.0	135,250	100.0	28,460	100.0	106,780	100.0	21.1

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

Number of AMT Taxpayers (millions). Baseline: 7.7 Proposal: 7.7

(1) Calendar year. Baseline is the law in place before the enactment of the Inflation Reduction Act of 2022.

Provisions include: clean vehicle credit; credit for previously-owned qualified plug-in electric drive motor vehicles; extension, increase, and modifications of nonbusiness energy property credit; extension of residential clean energy efficient credit; and extension, increase, and modifications of new energy efficient home credit.

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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

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) 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.

(4) 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.

(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.