

**Table T23-0073**  
**Combined Impact of H.R. 3936, The Tax Cuts for Working Families Act;**  
**H.R. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>5</sup>	
	Number (thousands)	Percent of Total				Change (%) Points)	Under the Proposal
<b>Lowest Quintile</b>	48,790	25.8	0.0	2.2	10	0.0	4.1
<b>Second Quintile</b>	41,730	22.1	-0.1	7.3	30	0.1	9.6
<b>Middle Quintile</b>	39,110	20.7	-0.1	19.1	90	0.1	15.2
<b>Fourth Quintile</b>	31,650	16.8	-0.1	26.4	150	0.1	19.2
<b>Top Quintile</b>	25,880	13.7	-0.1	44.1	300	0.1	27.0
<b>All</b>	188,880	100.0	-0.1	100.0	90	0.1	21.3
<b>Addendum</b>							
<b>80-90</b>	13,290	7.0	-0.1	15.3	200	0.1	22.0
<b>90-95</b>	6,470	3.4	-0.1	8.8	240	0.1	24.3
<b>95-99</b>	4,920	2.6	-0.1	10.0	350	0.1	27.7
<b>Top 1 Percent</b>	1,200	0.6	-0.1	10.1	1,470	0.0	32.6
<b>Top 0.1 Percent</b>	120	0.1	-0.1	3.7	5,360	0.0	33.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

Number of AMT Taxpayers (millions). Baseline: 7.4

Proposal: 7.4

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$32,400; 40% \$62,300; 60% \$111,200; 80% \$201,600; 90% \$293,500; 95% \$423,200; 99% \$1,018,100; 99.9% \$4,725,000.

(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.

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**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2027 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	2.2	10	0.9	0.0	0.8	0.0	4.1
Second Quintile	-0.1	7.3	30	0.6	0.0	3.8	0.1	9.6
Middle Quintile	-0.1	19.1	90	0.6	0.0	10.3	0.1	15.2
Fourth Quintile	-0.1	26.4	150	0.5	0.0	18.7	0.1	19.2
Top Quintile	-0.1	44.1	300	0.2	-0.1	66.1	0.1	27.0
All	-0.1	#####	90	0.3	0.0	100.0	0.1	21.3
<b>Addendum</b>								
80-90	-0.1	15.3	200	0.3	0.0	14.5	0.1	22.0
90-95	-0.1	8.8	240	0.3	0.0	11.1	0.1	24.3
95-99	-0.1	10.0	350	0.2	0.0	16.7	0.1	27.7
Top 1 Percent	-0.1	10.1	1,470	0.1	0.0	23.8	0.0	32.6
Top 0.1 Percent	-0.1	3.7	5,360	0.1	0.0	11.0	0.0	33.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	48,790	25.8	21,720	4.1	880	0.8	20,850	5.0	4.0
Second Quintile	41,730	22.1	52,040	8.4	4,940	3.8	47,100	9.7	9.5
Middle Quintile	39,110	20.7	95,290	14.5	14,440	10.3	80,850	15.6	15.2
Fourth Quintile	31,650	16.8	169,060	20.7	32,250	18.6	136,810	21.3	19.1
Top Quintile	25,880	13.7	520,690	52.2	140,150	66.2	380,540	48.5	26.9
All	#####	#####	136,600	100.0	29,010	100.0	107,590	100.0	21.2
<b>Addendum</b>									
80-90	13,290	7.0	273,100	14.1	59,840	14.5	213,260	13.9	21.9
90-95	6,470	3.4	390,150	9.8	94,400	11.2	295,750	9.4	24.2
95-99	4,920	2.6	674,220	12.9	186,340	16.8	487,880	11.8	27.6
Top 1 Percent	1,200	0.6	3,340,000	15.5	1,087,940	23.8	2,252,060	13.3	32.6
Top 0.1 Percent	120	0.1	#####	7.1	4,952,170	11.1	#####	6.1	33.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

Number of AMT Taxpayers (millions). Baseline: 7.4 Proposal: 7.4

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$32,400; 40% \$62,300; 60% \$111,200; 80% \$201,600; 90% \$293,500; 95% \$423,200; 99% \$1,018,100; 99.9% \$4,725,000.

(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 T23-0073**  
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**H.R. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	0.0	1.7	10	2.9	0.0	0.2	0.0	1.3
Second Quintile	-0.1	5.5	20	0.6	0.0	2.9	0.1	8.6
Middle Quintile	-0.1	16.7	80	0.6	0.0	8.4	0.1	13.9
Fourth Quintile	-0.1	25.9	130	0.5	0.0	17.7	0.1	18.6
Top Quintile	-0.1	49.3	260	0.2	-0.1	70.5	0.1	26.7
<b>All</b>	<b>-0.1</b>	<b>#####</b>	<b>90</b>	<b>0.3</b>	<b>0.0</b>	<b>100.0</b>	<b>0.1</b>	<b>21.3</b>
<b>Addendum</b>								
80-90	-0.1	17.4	180	0.4	0.0	15.6	0.1	21.8
90-95	-0.1	9.9	210	0.3	0.0	12.1	0.1	23.9
95-99	-0.1	11.2	310	0.2	0.0	18.1	0.1	27.2
Top 1 Percent	-0.1	10.8	1,280	0.1	0.0	24.8	0.0	32.4
Top 0.1 Percent	-0.1	4.0	4,810	0.1	0.0	11.5	0.0	33.0

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	#####	21.3	20,690	3.2	250	0.2	20,440	4.1	1.2
Second Quintile	#####	21.1	46,710	7.2	3,970	2.9	42,740	8.4	8.5
Middle Quintile	#####	20.6	85,220	12.9	11,780	8.4	73,440	14.1	13.8
Fourth Quintile	#####	18.7	147,890	20.3	27,340	17.6	120,540	21.0	18.5
Top Quintile	#####	17.4	442,650	56.4	117,680	70.6	324,960	52.6	26.6
<b>All</b>	<b>#####</b>	<b>#####</b>	<b>136,600</b>	<b>100.0</b>	<b>29,010</b>	<b>100.0</b>	<b>107,590</b>	<b>100.0</b>	<b>21.2</b>
<b>Addendum</b>									
80-90	#####	8.9	233,020	15.2	50,710	15.6	182,320	15.1	21.8
90-95	8,270	4.4	335,860	10.8	80,100	12.1	255,760	10.4	23.9
95-99	6,320	3.4	576,490	14.1	156,720	18.1	419,770	13.1	27.2
Top 1 Percent	1,480	0.8	2,856,370	16.3	924,310	24.9	1,932,070	14.0	32.4
Top 0.1 Percent	150	0.1	#####	7.5	4,314,290	11.6	8,784,800	6.4	32.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

Number of AMT Taxpayers (millions). Baseline: 7.4 Proposal: 7.4

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.

(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. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table - Single Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (%) Points)	Under the Proposal	Change (%) Points)	Under the Proposal
Lowest Quintile	0.0	2.7	10	0.7	0.0	1.4	0.0	4.8
Second Quintile	-0.1	8.2	20	0.5	0.0	5.7	0.1	9.6
Middle Quintile	-0.1	20.8	50	0.5	0.0	13.8	0.1	14.6
Fourth Quintile	-0.1	28.5	90	0.4	0.0	22.4	0.1	19.6
Top Quintile	-0.1	38.8	180	0.2	-0.1	56.4	0.1	27.0
All	-0.1	#####	50	0.3	0.0	100.0	0.1	19.7
<b>Addendum</b>								
80-90	-0.1	15.8	140	0.4	0.0	15.6	0.1	23.2
90-95	-0.1	7.5	150	0.3	0.0	10.3	0.1	24.4
95-99	-0.1	8.4	230	0.2	0.0	14.0	0.1	27.7
Top 1 Percent	-0.1	7.2	970	0.2	0.0	16.5	0.1	33.8
Top 0.1 Percent	-0.1	2.7	3,720	0.1	0.0	7.8	0.0	34.9

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	25,840	27.0	16,690	5.9	790	1.4	15,900	7.0	4.8
Second Quintile	22,750	23.8	37,550	11.6	3,570	5.6	33,980	13.1	9.5
Middle Quintile	20,480	21.4	66,400	18.5	9,670	13.7	56,730	19.7	14.6
Fourth Quintile	15,190	15.9	108,870	22.5	21,260	22.4	87,610	22.6	19.5
Top Quintile	10,500	11.0	287,690	41.2	77,500	56.5	210,190	37.4	26.9
All	95,760	#####	76,640	100.0	15,040	100.0	61,600	100.0	19.6
<b>Addendum</b>									
80-90	5,790	6.1	168,120	13.3	38,880	15.6	129,240	12.7	23.1
90-95	2,520	2.6	241,750	8.3	58,810	10.3	182,940	7.8	24.3
95-99	1,820	1.9	400,370	9.9	110,650	14.0	289,730	9.0	27.6
Top 1 Percent	370	0.4	1,929,250	9.7	650,360	16.6	1,278,890	8.0	33.7
Top 0.1 Percent	40	0.0	9,110,610	4.4	3,179,290	7.8	5,931,320	3.6	34.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction"

(sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. For more information on TPC's baseline definitions, see

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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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.

(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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**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.7	10	2.0	0.0	0.1	0.0	2.0
Second Quintile	-0.1	3.2	40	0.9	0.0	1.1	0.1	6.9
Middle Quintile	-0.1	13.7	120	0.9	0.0	4.9	0.1	12.7
Fourth Quintile	-0.1	24.7	160	0.5	0.0	15.0	0.1	17.8
Top Quintile	-0.1	56.9	310	0.2	-0.1	78.6	0.1	26.5
All	-0.1	#####	170	0.3	0.0	100.0	0.1	22.7
<b>Addendum</b>								
80-90	-0.1	18.9	210	0.4	0.0	15.9	0.1	21.2
90-95	-0.1	11.6	240	0.3	0.0	13.3	0.1	23.8
95-99	-0.1	13.5	350	0.2	0.0	20.9	0.1	27.1
Top 1 Percent	-0.1	12.8	1,380	0.1	-0.1	28.6	0.0	32.2
Top 0.1 Percent	-0.1	4.6	5,060	0.1	0.0	12.7	0.0	32.7

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	6,800	10.3	27,610	1.2	530	0.1	27,080	1.5	1.9
Second Quintile	9,040	13.7	61,080	3.5	4,180	1.0	56,900	4.2	6.8
Middle Quintile	12,660	19.1	111,290	8.8	14,030	4.9	97,270	10.0	12.6
Fourth Quintile	16,660	25.2	183,620	19.2	32,430	14.9	151,190	20.4	17.7
Top Quintile	20,510	31.0	524,770	67.4	138,810	78.7	385,960	64.1	26.5
All	66,200	#####	241,120	100.0	54,650	100.0	186,480	100.0	22.7
<b>Addendum</b>									
80-90	9,930	15.0	273,110	17.0	57,730	15.8	215,370	17.3	21.1
90-95	5,300	8.0	384,440	12.8	91,050	13.3	293,390	12.6	23.7
95-99	4,250	6.4	657,970	17.5	177,960	20.9	480,010	16.5	27.1
Top 1 Percent	1,030	1.6	3,120,860	20.2	1,003,800	28.6	2,117,070	17.7	32.2
Top 0.1 Percent	100	0.2	#####	8.9	4,592,590	12.8	9,456,510	7.7	32.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.

(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 T23-0073**  
**Combined Impact of H.R. 3936, The Tax Cuts for Working Families Act;**  
**H.R. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	7.6	10	-0.6	0.1	-5.1	0.0	-7.0
Second Quintile	-0.1	16.2	30	0.6	0.0	11.9	0.1	8.2
Middle Quintile	-0.1	28.9	70	0.5	0.0	24.6	0.1	14.7
Fourth Quintile	-0.1	27.6	120	0.4	0.0	28.7	0.1	20.0
Top Quintile	-0.1	19.6	210	0.2	-0.1	39.8	0.1	26.1
All	-0.1	#####	50	0.4	0.0	100.0	0.1	14.7
<b>Addendum</b>								
80-90	-0.1	10.4	170	0.3	0.0	13.4	0.1	22.9
90-95	-0.1	4.2	190	0.3	0.0	6.7	0.1	23.3
95-99	-0.1	2.8	290	0.2	0.0	5.9	0.1	26.9
Top 1 Percent	0.0	2.2	820	0.1	-0.1	13.8	0.0	32.0
Top 0.1 Percent	0.0	0.3	1,150	0.0	0.0	8.8	0.0	32.6

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	7,280	31.5	28,520	10.6	-2,010	-5.1	30,530	13.3	-7.1
Second Quintile	7,180	31.1	58,040	21.3	4,730	11.9	53,310	22.9	8.2
Middle Quintile	4,850	21.0	99,150	24.6	14,520	24.6	84,630	24.5	14.6
Fourth Quintile	2,630	11.4	157,050	21.1	31,250	28.7	125,800	19.8	19.9
Top Quintile	1,130	4.9	388,090	22.4	101,140	39.9	286,940	19.4	26.1
All	23,120	#####	84,640	100.0	12,370	100.0	72,260	100.0	14.6
<b>Addendum</b>									
80-90	720	3.1	233,580	8.6	53,240	13.4	180,330	7.8	22.8
90-95	260	1.1	315,170	4.2	73,160	6.7	242,010	3.8	23.2
95-99	110	0.5	553,750	3.2	148,710	6.0	405,040	2.8	26.9
Top 1 Percent	30	0.1	3,832,270	6.3	1,226,020	13.8	2,606,250	5.0	32.0
Top 0.1 Percent	*	0.0	#####	4.0	8,605,480	8.8	#####	3.1	32.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

(1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.

(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 T23-0073**  
**Combined Impact of H.R. 3936, The Tax Cuts for Working Families Act;**  
**H.R. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table - Tax Units with Children**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (%)	Under the Proposal	Change (%)	Under the Proposal
Lowest Quintile	0.0	2.5	10	-0.8	0.0	-0.9	0.1	-5.8
Second Quintile	-0.1	6.3	40	0.6	0.0	2.7	0.1	8.8
Middle Quintile	-0.1	15.8	100	0.6	0.0	7.9	0.1	15.5
Fourth Quintile	-0.1	25.8	160	0.4	0.0	18.0	0.1	20.2
Top Quintile	-0.1	48.8	320	0.2	-0.1	72.0	0.1	28.0
<b>All</b>	<b>-0.1</b>	<b>#####</b>	<b>120</b>	<b>0.3</b>	<b>0.0</b>	<b>100.0</b>	<b>0.1</b>	<b>22.6</b>
<b>Addendum</b>								
80-90	-0.1	16.5	220	0.3	0.0	15.2	0.1	23.1
90-95	-0.1	8.8	230	0.2	0.0	11.8	0.1	25.5
95-99	-0.1	11.5	370	0.2	0.0	18.7	0.1	28.8
Top 1 Percent	-0.1	12.0	1,510	0.1	0.0	26.3	0.0	32.9
Top 0.1 Percent	-0.1	4.4	5,650	0.1	0.0	11.6	0.0	32.9

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	#####	22.2	29,440	3.4	-1,730	-0.9	31,160	4.7	-5.9
Second Quintile	#####	21.4	62,870	7.0	5,480	2.7	57,390	8.3	8.7
Middle Quintile	9,790	18.8	117,920	11.6	18,150	7.9	99,780	12.6	15.4
Fourth Quintile	9,850	18.9	203,990	20.1	41,090	18.0	162,900	20.7	20.1
Top Quintile	9,500	18.3	609,890	58.0	170,620	72.1	439,270	53.9	28.0
<b>All</b>	<b>#####</b>	<b>#####</b>	<b>191,850</b>	<b>100.0</b>	<b>43,200</b>	<b>100.0</b>	<b>148,650</b>	<b>100.0</b>	<b>22.5</b>
<b>Addendum</b>									
80-90	4,770	9.2	311,530	14.9	71,820	15.2	239,710	14.8	23.1
90-95	2,340	4.5	444,950	10.4	113,290	11.8	331,660	10.0	25.5
95-99	1,900	3.7	769,500	14.7	221,440	18.7	548,060	13.5	28.8
Top 1 Percent	490	0.9	3,680,900	18.1	1,208,400	26.3	2,472,500	15.7	32.8
Top 0.1 Percent	50	0.1	#####	7.9	5,450,640	11.6	#####	6.9	32.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

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 June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.
- (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 T23-0073**  
**Combined Impact of H.R. 3936, The Tax Cuts for Working Families Act;**  
**H.R. 3937, The Small Business Jobs Act; and H.R. 3938, The Build It In America Act**  
**As Reported to the House by the Ways and Means Committee**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**  
**Detail Table - Older Adults**

Expanded Cash Income Percentile <sup>2,3</sup>	Percent Change in After-Tax Income <sup>4</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
			Dollars	Percent <sup>5</sup>	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.5	*	1.0	0.0	0.2	0.0	1.2
Second Quintile	-0.1	5.6	20	1.4	0.0	1.8	0.0	3.2
Middle Quintile	-0.1	21.4	80	1.3	0.1	7.5	0.1	7.7
Fourth Quintile	-0.1	26.8	140	0.8	0.1	15.3	0.1	12.8
Top Quintile	-0.1	44.2	290	0.3	-0.1	74.5	0.1	24.7
<b>All</b>	<b>-0.1</b>	<b>#####</b>	<b>90</b>	<b>0.5</b>	<b>0.0</b>	<b>100.0</b>	<b>0.1</b>	<b>16.9</b>
<b>Addendum</b>								
80-90	-0.1	15.3	190	0.5	0.0	13.2	0.1	17.2
90-95	-0.1	8.3	240	0.4	0.0	9.6	0.1	19.7
95-99	-0.1	9.5	340	0.3	0.0	17.0	0.1	25.0
Top 1 Percent	-0.1	11.2	1,380	0.2	-0.1	34.7	0.1	32.2
Top 0.1 Percent	-0.1	4.7	4,720	0.1	-0.1	18.7	0.0	32.8

**Baseline Distribution of Income and Federal Taxes**  
**by Expanded Cash Income Percentile Adjusted for Family Size, 2027 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income <sup>4</sup>		Average Federal Tax Rate <sup>6</sup>
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	
Lowest Quintile	9,420	17.7	20,280	3.1	250	0.2	20,030	3.7	1.2
Second Quintile	#####	25.8	43,050	9.6	1,350	1.8	41,700	11.1	3.1
Middle Quintile	#####	24.1	78,520	16.3	6,000	7.4	72,520	18.1	7.6
Fourth Quintile	9,310	17.5	133,890	20.1	17,020	15.3	116,860	21.1	12.7
Top Quintile	7,210	13.5	436,370	50.8	107,520	74.6	328,850	46.0	24.6
<b>All</b>	<b>#####</b>	<b>#####</b>	<b>116,220</b>	<b>100.0</b>	<b>19,500</b>	<b>100.0</b>	<b>96,720</b>	<b>100.0</b>	<b>16.8</b>
<b>Addendum</b>									
80-90	3,800	7.1	210,640	12.9	36,060	13.2	174,580	12.9	17.1
90-95	1,680	3.1	304,070	8.2	59,560	9.6	244,500	8.0	19.6
95-99	1,350	2.5	527,100	11.5	131,350	17.0	395,750	10.3	24.9
Top 1 Percent	390	0.7	2,921,480	18.2	937,800	34.8	1,983,690	14.8	32.1
Top 0.1 Percent	50	0.1	#####	9.6	4,080,300	18.7	8,363,600	7.7	32.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0323-1).

Note: Tax units in which either the primary individual (or secondary individual in a married couple) is age 65 or older.

- (1) Calendar year. Baseline is the law currently in place as of June 19, 2023. Includes following proposals: bonus "guaranteed deduction" (sunset 12/31/25); modifications to exclusion for gain from qualified small business stock; increase in limitations on expensing of depreciable business assets; establishment of special rules for capital gains invested in rural opportunity zones; deduction for research and experimental expenditures (sunset 12/31/25); extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest (sunset 12/31/25); extension of 100 percent bonus depreciation (sunset 12/31/25); termination of Hazardous Substance Superfund financing rate and repayable advance authority; election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations; repeal of clean electricity production and investment credits; modification of clean vehicle credit; and repeal of credits for previously-owned clean vehicles and qualified commercial clean vehicles. 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) 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 2023 dollars): 20% \$22,900; 40% \$43,900; 60% \$75,100; 80% \$124,600; 90% \$180,400; 95% \$255,100; 99% \$596,900; 99.9% \$2,715,100.
- (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.