

Table T24-0041
Make Certain Major Provisions in the 2017 Tax Act Permanent
Individual Income, Estate, and Payroll Tax Provisions Only
Excludes Corporate and Excise Tax Provisions
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 Individual Income, Estate, and Payroll Tax Provisions ⁴ | Major Individual Income, Estate, and Payroll Tax Provisions Included Here ⁵ |
| | | | Pct of Tax Units | Avg Tax Change (\$) | Pct of Tax Units | Avg Tax Change (\$) | | |
| Lowest Quintile | 49,790 | 25.7 | 28.3 | -380 | 1.0 | 820 | -100 | -100 |
| Second Quintile | 42,730 | 22.0 | 66.9 | -720 | 6.2 | 840 | -440 | -430 |
| Middle Quintile | 40,430 | 20.9 | 80.2 | -1,360 | 12.9 | 1,270 | -950 | -930 |
| Fourth Quintile | 32,550 | 16.8 | 80.6 | -2,620 | 17.9 | 2,020 | -1,810 | -1,750 |
| Top Quintile | 26,580 | 13.7 | 80.6 | -10,780 | 18.9 | 5,550 | -8,960 | -7,640 |
| All | 193,930 | 100.0 | 63.4 | -3,010 | 9.9 | 2,540 | -1,860 | -1,660 |
| Addendum | | | | | | | | |
| 80-90 | 13,620 | 7.0 | 78.5 | -3,910 | 20.9 | 2,830 | -2,650 | -2,480 |
| 90-95 | 6,670 | 3.4 | 79.8 | -6,410 | 19.8 | 3,160 | -4,810 | -4,490 |
| 95-99 | 5,060 | 2.6 | 88.2 | -17,150 | 11.5 | 6,660 | -15,620 | -14,360 |
| Top 1 Percent | 1,230 | 0.6 | 77.5 | -82,450 | 22.2 | 43,160 | -74,060 | -54,370 |
| Top 0.1 Percent | 130 | 0.1 | 67.7 | -364,720 | 32.1 | 160,780 | -314,190 | -195,370 |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0324-1).

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

(1) Calendar year. Baseline is the law currently in place as of July 7, 2024. For a description of TPC's baselines, 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 2024 dollars): 20% \$33,400; 40% \$64,500; 60% \$115,400; 80% \$210,400; 90% \$306,700; 95% \$444,100; 99% \$1,077,600; 99.9% \$4,832,400.

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

(5) Includes following proposals: individual income tax rates of 10, 12, 22, 24, 32, 35, and 37 percent; modifications to child tax credit; increase in the individual alternative minimum tax exemption and exemption phase-out thresholds; increase in standard deduction; modifications to itemized deductions; repeal of deduction for personal exemptions; 20 percent deduction for qualified business income; repeal of deduction for moving expenses (other than members of the Armed Forces); repeal of exclusion for employer-provided qualified moving expense reimbursements (other than members of the Armed Forces); election to invest capital gains in an opportunity zone; limitation on active business losses of noncorporate taxpayers; doubling of estate tax exemption; and additional first-year depreciation with respect to qualified property for pass-through entities only.

(6) Due to data limitations, we exclude the following provisions listed in note (5): repeal of exclusion for employer-provided qualified moving expense reimbursements (other than members of the Armed Forces); and election to invest capital gains in an opportunity zone. Also excludes pass-through portion of: additional first-year depreciation with respect to qualified property.