

Table T07-0056
Current Law Tax Benefits for Health Insurance Excluding Social Security Tax
Distribution of Subsidies by Cash Income Class, 2009¹
Nondependent Tax Units with Head or Spouse Under 65

Cash Income Class (thousands of 2006 dollars) ²	Percent with Priv. Health Insurance ³	Average Premium (\$)			Average Subsidy (\$)			Subsidy as a Percent of Premium			Premium as a Percent of Income ⁴			After-Tax Premium as a Percent of Income ⁵		
		All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only	All Insured Tax Units	Tax Units with ESI Only	Tax Units with PNG Only
Less than 10	23.9	4,663	4,240	5,469	-12	-12	0	-0.3	-0.3	0.0	56.0	46.7	99.7	56.2	46.8	99.7
10-20	40.2	6,307	6,087	6,521	498	577	15	7.9	9.5	0.2	30.8	28.7	40.6	28.4	26.0	40.5
20-30	60.3	7,333	7,121	7,339	1,111	1,217	46	15.2	17.1	0.6	23.0	21.9	28.2	19.5	18.1	28.0
30-40	72.7	8,088	7,882	7,317	1,309	1,387	101	16.2	17.6	1.4	18.7	18.0	19.6	15.7	14.9	19.3
40-50	82.0	8,455	8,182	7,383	1,472	1,533	140	17.4	18.7	1.9	15.5	14.9	15.4	12.8	12.1	15.1
50-75	88.1	10,076	9,769	8,266	1,996	2,078	192	19.8	21.3	2.3	13.6	13.1	12.5	10.9	10.3	12.2
75-100	93.0	11,828	11,502	8,419	2,740	2,846	262	23.2	24.7	3.1	11.6	11.2	9.1	8.9	8.4	8.8
100-200	95.7	13,128	12,859	9,675	3,660	3,799	316	27.9	29.5	3.3	8.4	8.2	6.7	6.1	5.8	6.5
200-500	96.0	13,236	12,959	9,003	4,260	4,453	566	32.2	34.4	6.3	4.2	4.1	2.9	2.9	2.7	2.7
500-1,000	95.8	12,303	12,072	9,358	3,807	3,990	1,171	30.9	33.1	12.5	1.7	1.7	1.3	1.2	1.1	1.1
More than 1,000	94.6	12,277	12,062	9,860	4,168	4,338	1,500	33.9	36.0	15.2	0.4	0.4	0.3	0.3	0.3	0.3
All	69.7	9,809	9,617	7,501	2,081	2,215	145	21.2	23.0	1.9	9.6	9.3	10.3	7.6	7.1	10.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) Calendar year. Benefits are calculated as the change in tax liability (excluding the change in Social Security tax) between a baseline of current law modified to include pre-tax employer sponsored health insurance premiums in taxable compensation, to disallow the self-employed health insurance deduction, and to disallow the itemized deduction for medical expenses for all except Medicare beneficiaries, and an alternative consisting of current law. Following convention, the estimates are static and do not incorporate behavioral responses. In particular, they do not account for the gains of those who newly obtain health insurance, the losses of those who lose coverage due to the proposal, or the potential reductions in both premiums and comprehensiveness of health insurance.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.

(4) Income used to calculate premium as a percent of income and after-tax premium as a percent of income is cash income plus the value of pre-tax employer sponsored health insurance premiums.

(5) After-tax premium is the average premium less the average subsidy.