

**Table T07-0057**  
**Current Law Tax Benefits for Health Insurance Excluding Social Security Tax**  
**Distribution of Subsidies by Cash Income Percentile, 2009<sup>1</sup>**  
**Nondependent Tax Units with Head or Spouse Under 65**

Cash Income Class (thousands of 2006 dollars) <sup>2,3</sup>	Percent with Priv. Health Insurance <sup>4</sup>	Average Premium (\$)			Average Subsidy (\$)			Subsidy as a Percent of Premium			Premium as a Percent of Income <sup>5</sup>			After-Tax Premium as a Percent of Income <sup>6</sup>		
		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
<b>Lowest Quintile</b>	25.8	4,877	4,552	5,508	62	78	6	1.3	1.7	0.1	41.5	36.3	64.1	40.9	35.7	64.1
<b>Second Quintile</b>	55.4	7,098	6,875	7,200	931	1,035	28	13.1	15.1	0.4	25.3	24.0	32.0	22.0	20.4	31.9
<b>Middle Quintile</b>	75.7	8,201	7,968	7,451	1,372	1,445	118	16.7	18.1	1.6	17.4	16.8	18.6	14.5	13.7	18.3
<b>Fourth Quintile</b>	89.4	10,429	10,127	8,317	2,144	2,228	232	20.6	22.0	2.8	13.1	12.7	11.8	10.4	9.9	11.5
<b>Top Quintile</b>	95.1	12,929	12,646	9,244	3,624	3,773	385	28.0	29.8	4.2	5.8	5.7	3.8	4.2	4.0	3.7
<b>All</b>	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
<b>Addendum</b>																
<b>Top 10 Percent</b>	96.4	13,309	13,048	9,478	3,997	4,159	547	30.0	31.9	5.8	4.2	4.1	2.7	2.9	2.8	2.5
<b>Top 5 Percent</b>	96.2	13,246	13,001	9,076	4,244	4,426	701	32.0	34.0	7.7	2.8	2.8	1.8	1.9	1.8	1.6
<b>Top 1 Percent</b>	95.5	12,309	12,092	9,540	3,870	4,038	1,326	31.4	33.4	13.9	1.0	0.9	0.8	0.7	0.6	0.7
<b>Top 0.5 Percent</b>	94.9	12,239	12,036	9,699	4,047	4,223	1,492	33.1	35.1	15.4	0.6	0.6	0.5	0.4	0.4	0.4
<b>Top 0.1 Percent</b>	93.9	12,230	11,938	10,615	4,142	4,324	1,382	33.9	36.2	13.0	0.2	0.2	0.2	0.1	0.1	0.2

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) For the income levels at each quintile and the top income percentiles used in this table, see

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

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

(5) 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.

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