

Table T09-0256
Impose a Cap on the Employer Sponsored Insurance Exclusion
Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile, 2019 ¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%) Points)	Under the Proposal
Lowest Quintile	0.1	1.2	0.0	2.0	3	0.0	4.4
Second Quintile	0.0	3.2	0.0	7.2	11	0.0	11.3
Middle Quintile	0.0	6.4	-0.1	15.0	26	0.0	18.5
Fourth Quintile	0.0	9.0	-0.1	29.9	60	0.1	22.7
Top Quintile	0.0	11.1	0.0	45.8	104	0.0	28.2
All	0.0	5.5	0.0	100.0	34	0.0	23.5
Addendum							
80-90	0.0	10.8	-0.1	20.8	93	0.1	25.4
90-95	0.0	11.4	-0.1	12.5	116	0.0	27.2
95-99	0.0	11.6	0.0	10.2	119	0.0	28.2
Top 1 Percent	0.0	9.9	0.0	2.2	103	0.0	31.1
Top 0.1 Percent	0.0	8.5	0.0	0.2	90	0.0	33.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0309-2).

Number of AMT Taxpayers (millions). Baseline: 43.0

Proposal: 43.0

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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) The cash 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 2009 dollars): 20% \$22,005, 40% \$41,316, 60% \$74,736, 80% \$128,774, 90% \$186,996, 95% \$262,112, 99% \$656,694, 99.9% \$2,977,393.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T09-0256
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Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile, 2019¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	1.2	0.0	2.0	3	0.4	0.0	0.7	0.0	4.4
Second Quintile	0.0	3.2	0.0	7.2	11	0.3	0.0	4.1	0.0	11.3
Middle Quintile	0.0	6.4	-0.1	15.0	26	0.2	0.0	10.8	0.0	18.5
Fourth Quintile	0.0	9.0	-0.1	29.9	60	0.2	0.0	19.6	0.1	22.7
Top Quintile	0.0	11.1	0.0	45.8	104	0.1	0.0	64.7	0.0	28.2
All	0.0	5.5	0.0	100.0	34	0.1	0.0	100.0	0.0	23.5
Addendum										
80-90	0.0	10.8	-0.1	20.8	93	0.2	0.0	15.3	0.1	25.4
90-95	0.0	11.4	-0.1	12.5	116	0.2	0.0	11.3	0.0	27.2
95-99	0.0	11.6	0.0	10.2	119	0.1	0.0	16.2	0.0	28.2
Top 1 Percent	0.0	9.9	0.0	2.2	103	0.0	0.0	21.9	0.0	31.1
Top 0.1 Percent	0.0	8.5	0.0	0.2	90	0.0	0.0	10.3	0.0	33.4

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	42,307	24.7	15,025	651	14,374	4.3	3.7	4.6	0.7
Second Quintile	38,787	22.7	38,100	4,291	33,809	11.3	8.5	9.9	4.1
Middle Quintile	34,443	20.1	69,239	12,781	56,458	18.5	13.7	14.6	10.8
Fourth Quintile	29,202	17.1	121,067	27,387	93,681	22.6	20.4	20.6	19.6
Top Quintile	25,704	15.0	364,582	102,600	261,982	28.1	54.0	50.7	64.7
All	171,212	100.0	101,380	23,804	77,576	23.5	100.0	100.0	100.0
Addendum									
80-90	13,086	7.6	188,516	47,687	140,829	25.3	14.2	13.9	15.3
90-95	6,284	3.7	269,177	73,140	196,037	27.2	9.7	9.3	11.3
95-99	5,062	3.0	461,631	130,122	331,509	28.2	13.5	12.6	16.2
Top 1 Percent	1,273	0.7	2,259,144	702,949	1,556,195	31.1	16.6	14.9	22.0
Top 0.1 Percent	130	0.1	9,677,330	3,236,174	6,441,156	33.4	7.3	6.3	10.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Number of AMT Taxpayers (millions). Baseline: 43.0 Proposal: 43.0

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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>

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(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T09-0256
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Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	1.2	0.0	2.0	3	1.5	0.0	0.2	0.0	1.6
Second Quintile	0.0	2.5	0.0	6.2	10	0.3	0.0	3.3	0.0	11.0
Middle Quintile	0.0	5.2	-0.1	14.3	24	0.2	0.0	8.5	0.0	16.5
Fourth Quintile	0.0	8.7	-0.1	30.0	54	0.2	0.0	18.6	0.1	22.1
Top Quintile	0.0	10.7	0.0	47.5	85	0.1	0.0	69.3	0.0	27.9
All	0.0	5.5	0.0	100.0	34	0.1	0.0	100.0	0.0	23.5
Addendum										
80-90	0.0	10.9	-0.1	22.5	80	0.2	0.0	16.4	0.1	25.1
90-95	0.0	10.6	-0.1	11.8	84	0.1	0.0	12.4	0.0	26.8
95-99	0.0	10.9	0.0	10.8	98	0.1	0.0	17.6	0.0	28.1
Top 1 Percent	0.0	9.2	0.0	2.4	89	0.0	0.0	22.9	0.0	30.9
Top 0.1 Percent	0.0	7.7	0.0	0.2	76	0.0	0.0	10.8	0.0	33.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	34,895	20.4	13,998	223	13,774	1.6	2.8	3.6	0.2
Second Quintile	35,601	20.8	34,855	3,806	31,049	10.9	7.2	8.3	3.3
Middle Quintile	34,837	20.4	60,509	9,947	50,562	16.4	12.1	13.3	8.5
Fourth Quintile	32,404	18.9	106,149	23,383	82,766	22.0	19.8	20.2	18.6
Top Quintile	32,706	19.1	309,674	86,336	223,338	27.9	58.4	55.0	69.3
All	171,212	100.0	101,380	23,804	77,576	23.5	100.0	100.0	100.0
Addendum									
80-90	16,541	9.7	161,108	40,370	120,738	25.1	15.4	15.0	16.4
90-95	8,163	4.8	230,655	61,734	168,920	26.8	10.9	10.4	12.4
95-99	6,452	3.8	395,230	111,028	284,203	28.1	14.7	13.8	17.6
Top 1 Percent	1,549	0.9	1,956,143	603,957	1,352,185	30.9	17.5	15.8	23.0
Top 0.1 Percent	154	0.1	8,570,448	2,849,335	5,721,113	33.3	7.6	6.7	10.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Number of AMT Taxpayers (millions). Baseline: 43.0 Proposal: 43.0

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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

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(3) The cash 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 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.8	0.0	2.4	1	0.2	0.0	1.2	0.0	6.7
Second Quintile	0.0	1.9	0.0	8.4	4	0.2	0.0	4.8	0.0	10.3
Middle Quintile	0.0	4.6	0.0	19.3	10	0.1	0.0	11.6	0.0	15.3
Fourth Quintile	0.0	8.3	0.0	33.6	23	0.1	0.0	21.5	0.0	22.8
Top Quintile	0.0	9.0	0.0	36.2	30	0.1	0.0	60.7	0.0	28.9
All	0.0	4.3	0.0	100.0	11	0.1	0.0	100.0	0.0	22.5
Addendum										
80-90	0.0	9.8	0.0	21.2	33	0.1	0.0	17.1	0.0	26.4
90-95	0.0	9.3	0.0	9.4	33	0.1	0.0	11.4	0.0	27.6
95-99	0.0	6.8	0.0	4.4	20	0.0	0.0	15.3	0.0	28.8
Top 1 Percent	0.0	6.4	0.0	1.2	27	0.0	0.0	16.9	0.0	33.0
Top 0.1 Percent	0.0	4.6	0.0	0.1	14	0.0	0.0	7.7	0.0	36.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total
Lowest Quintile	18,284	23.9	10,242	685	9,557	6.7	4.1	5.0	1.2
Second Quintile	17,835	23.3	27,000	2,769	24,231	10.3	10.6	12.3	4.8
Middle Quintile	17,011	22.2	45,378	6,951	38,427	15.3	17.0	18.6	11.6
Fourth Quintile	12,595	16.4	76,543	17,400	59,143	22.7	21.2	21.2	21.5
Top Quintile	10,530	13.7	204,012	58,851	145,161	28.9	47.3	43.4	60.8
All	76,642	100.0	59,235	13,309	45,926	22.5	100.0	100.0	100.0
Addendum									
80-90	5,655	7.4	116,794	30,843	85,951	26.4	14.6	13.8	17.1
90-95	2,537	3.3	166,485	45,975	120,510	27.6	9.3	8.7	11.4
95-99	1,940	2.5	280,341	80,599	199,743	28.8	12.0	11.0	15.3
Top 1 Percent	398	0.5	1,309,132	432,431	876,701	33.0	11.5	9.9	16.9
Top 0.1 Percent	34	0.0	6,322,479	2,305,269	4,017,210	36.5	4.7	3.9	7.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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) The cash 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 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

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Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.3	2.2	-0.1	1.5	10	2.1	0.0	0.1	0.1	2.5
Second Quintile	0.0	3.0	0.0	3.5	18	0.4	0.0	1.6	0.0	11.1
Middle Quintile	0.0	5.7	-0.1	11.0	43	0.3	0.0	5.4	0.1	16.3
Fourth Quintile	0.0	9.4	-0.1	30.0	83	0.3	0.0	16.5	0.1	21.5
Top Quintile	0.0	12.0	0.0	53.9	117	0.1	0.0	76.3	0.0	27.6
All	0.0	7.9	-0.1	100.0	69	0.2	0.0	100.0	0.0	24.7
Addendum										
80-90	0.0	12.0	-0.1	24.6	111	0.2	0.0	16.7	0.1	24.5
90-95	0.0	11.6	-0.1	13.6	113	0.2	0.0	13.6	0.0	26.5
95-99	0.0	13.1	0.0	12.9	135	0.1	0.0	19.7	0.0	28.0
Top 1 Percent	0.0	10.5	0.0	2.8	114	0.0	0.0	26.4	0.0	30.4
Top 0.1 Percent	0.0	8.9	0.0	0.2	97	0.0	0.0	12.3	0.0	32.6

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	7,015	11.0	18,283	449	17,834	2.5	1.2	1.5	0.1
Second Quintile	8,788	13.8	44,970	4,967	40,003	11.0	3.6	4.3	1.6
Middle Quintile	11,369	17.8	80,087	12,984	67,102	16.2	8.3	9.2	5.4
Fourth Quintile	15,917	24.9	130,806	28,042	102,764	21.4	18.9	19.8	16.4
Top Quintile	20,432	32.0	367,626	101,451	266,175	27.6	68.3	65.7	76.3
All	63,816	100.0	172,338	42,570	129,769	24.7	100.0	100.0	100.0
Addendum									
80-90	9,825	15.4	188,187	46,053	142,134	24.5	16.8	16.9	16.7
90-95	5,286	8.3	263,354	69,732	193,622	26.5	12.7	12.4	13.6
95-99	4,238	6.6	450,604	126,015	324,589	28.0	17.4	16.6	19.7
Top 1 Percent	1,084	1.7	2,178,195	662,235	1,515,959	30.4	21.5	19.8	26.4
Top 0.1 Percent	111	0.2	9,178,922	2,993,684	6,185,237	32.6	9.3	8.3	12.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

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Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.1	1.2	0.0	6.0	3	-0.3	0.0	-3.1	0.0	-4.9
Second Quintile	0.0	3.1	0.0	29.0	15	0.3	0.0	15.0	0.0	11.5
Middle Quintile	0.0	5.6	-0.1	35.5	28	0.2	0.0	27.3	0.0	18.7
Fourth Quintile	0.0	6.7	0.0	20.2	28	0.1	0.0	29.2	0.0	23.2
Top Quintile	0.0	4.8	0.0	9.3	34	0.1	0.0	31.5	0.0	27.2
All	0.1	3.4	0.0	100.0	16	0.2	0.0	100.0	0.0	17.2
Addendum										
80-90	0.0	5.7	0.0	7.3	42	0.1	0.0	11.9	0.0	26.1
90-95	0.0	3.2	0.0	0.8	15	0.0	0.0	5.2	0.0	27.0
95-99	0.0	3.2	0.0	1.1	27	0.0	0.0	6.8	0.0	26.5
Top 1 Percent	0.0	2.5	0.0	0.2	21	0.0	0.0	7.6	0.0	30.0
Top 0.1 Percent	0.0	3.3	0.0	0.0	21	0.0	0.0	3.3	0.0	33.1

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	9,319	33.0	18,179	-891	19,070	-4.9	10.9	13.8	-3.1	
Second Quintile	8,612	30.5	40,921	4,671	36,250	11.4	22.6	24.2	15.0	
Middle Quintile	5,808	20.5	67,364	12,591	54,773	18.7	25.1	24.6	27.3	
Fourth Quintile	3,221	11.4	104,706	24,280	80,425	23.2	21.6	20.1	29.2	
Top Quintile	1,254	4.4	247,845	67,360	180,484	27.2	19.9	17.5	31.5	
All	28,273	100.0	55,137	9,476	45,661	17.2	100.0	100.0	100.0	
Addendum										
80-90	789	2.8	155,631	40,581	115,049	26.1	7.9	7.0	12.0	
90-95	241	0.9	212,233	57,350	154,883	27.0	3.3	2.9	5.2	
95-99	185	0.7	371,174	98,283	272,891	26.5	4.4	3.9	6.8	
Top 1 Percent	40	0.1	1,721,613	516,124	1,205,489	30.0	4.4	3.7	7.7	
Top 0.1 Percent	3	0.0	8,196,561	2,711,848	5,484,713	33.1	1.7	1.4	3.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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) The cash 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 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T09-0256
Impose a Cap on the Employer Sponsored Insurance Exclusion
Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.3	1.5	0.0	2.4	6	-0.5	0.0	-0.8	0.0	-5.9
Second Quintile	0.0	3.6	-0.1	8.2	21	0.4	0.0	3.9	0.1	12.2
Middle Quintile	0.0	6.1	-0.1	17.3	46	0.3	0.0	11.0	0.1	19.5
Fourth Quintile	0.0	9.2	-0.1	32.6	89	0.3	0.0	22.3	0.1	24.0
Top Quintile	0.0	11.9	-0.1	39.4	137	0.1	0.0	63.5	0.0	29.5
All	0.1	6.1	-0.1	100.0	55	0.2	0.0	100.0	0.0	24.4
Addendum										
80-90	0.0	11.8	-0.1	19.1	128	0.2	0.0	15.9	0.1	27.1
90-95	0.0	11.3	-0.1	9.5	136	0.2	0.0	11.1	0.0	28.4
95-99	0.0	13.0	0.0	8.9	158	0.1	0.0	16.0	0.0	29.4
Top 1 Percent	0.0	11.8	0.0	2.0	143	0.0	0.0	20.6	0.0	32.4
Top 0.1 Percent	0.0	10.2	0.0	0.2	126	0.0	0.0	9.0	0.0	33.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	11,401	22.0	19,539	-1,155	20,695	-5.9	3.4	4.8	-0.8	
Second Quintile	10,907	21.0	46,336	5,634	40,702	12.2	7.8	9.1	3.9	
Middle Quintile	10,715	20.7	83,064	16,152	66,912	19.5	13.7	14.6	11.0	
Fourth Quintile	10,471	20.2	140,306	33,633	106,672	24.0	22.7	22.8	22.3	
Top Quintile	8,223	15.9	414,366	121,935	292,431	29.4	52.6	49.1	63.6	
All	51,871	100.0	124,878	30,418	94,459	24.4	100.0	100.0	100.0	
Addendum										
80-90	4,233	8.2	218,257	59,091	159,166	27.1	14.3	13.8	15.9	
90-95	1,995	3.9	310,516	87,908	222,607	28.3	9.6	9.1	11.1	
95-99	1,599	3.1	537,525	157,647	379,878	29.3	13.3	12.4	16.0	
Top 1 Percent	395	0.8	2,541,638	822,607	1,719,031	32.4	15.5	13.9	20.6	
Top 0.1 Percent	37	0.1	11,394,278	3,864,716	7,529,563	33.9	6.5	5.7	9.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current law. Proposal imposes a cap on the employer sponsored insurance exclusion. The cap levels are based on the 90th percentile of premiums and are indexed by the projected growth of medical expenses after 2009. Their 2009 values are \$6,004 for single coverage, \$11,974 for single-plus-one coverage, and \$15,290 for family coverage.

(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

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(3) The cash 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 2009 dollars): 20% \$15,176, 40% \$28,048, 60% \$47,686, 80% \$79,867, 90% \$114,813, 95% \$161,950, 99% \$399,703, 99.9% \$1,822,775.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T09-0256
Impose a Cap on the Employer Sponsored Insurance Exclusion
Cap is Indexed by Projected Growth of Medical Expenses and Based on the 90th Percentile of Premium Levels
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2019¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.2	0.4	0.0	1.0	1	0.3	0.0	0.2	0.0	2.8
Second Quintile	0.0	0.4	0.0	3.4	2	0.2	0.0	1.5	0.0	3.9
Middle Quintile	0.0	0.7	0.0	4.4	3	0.1	0.0	2.3	0.0	4.5
Fourth Quintile	0.0	3.3	0.0	28.0	26	0.2	0.0	10.3	0.0	13.8
Top Quintile	0.0	4.9	0.0	63.3	39	0.1	0.0	85.6	0.0	25.6
All	0.0	2.0	0.0	100.0	15	0.1	0.0	100.0	0.0	19.8
Addendum										
80-90	0.0	5.3	0.0	28.9	38	0.1	0.0	15.9	0.0	20.0
90-95	0.0	4.3	0.0	15.8	39	0.1	0.0	13.9	0.0	23.0
95-99	0.0	5.1	0.0	15.1	44	0.1	0.0	22.7	0.0	26.3
Top 1 Percent	0.0	4.2	0.0	3.5	41	0.0	0.0	33.2	0.0	30.6
Top 0.1 Percent	0.0	4.4	0.0	0.4	41	0.0	0.0	16.4	0.0	33.3

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2019¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total	
	Number (thousands)	Percent of Total								
Lowest Quintile	4,854	13.1	13,609	386	13,223	2.8	1.7	2.0	0.2	
Second Quintile	9,716	26.2	30,144	1,184	28,960	3.9	7.4	8.9	1.5	
Middle Quintile	7,874	21.2	50,838	2,288	48,550	4.5	10.1	12.1	2.3	
Fourth Quintile	5,843	15.8	99,788	13,725	86,063	13.8	14.7	15.9	10.3	
Top Quintile	8,792	23.7	297,400	76,063	221,337	25.6	66.1	61.3	85.7	
All	37,096	100.0	106,595	21,048	85,547	19.8	100.0	100.0	100.0	
Addendum										
80-90	4,200	11.3	148,198	29,529	118,669	19.9	15.7	15.7	15.9	
90-95	2,229	6.0	211,967	48,767	163,200	23.0	12.0	11.5	13.9	
95-99	1,895	5.1	355,565	93,321	262,244	26.3	17.0	15.7	22.7	
Top 1 Percent	468	1.3	1,809,133	554,243	1,254,890	30.6	21.4	18.5	33.2	
Top 0.1 Percent	50	0.1	7,683,766	2,558,458	5,125,308	33.3	9.7	8.1	16.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version0309-2).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

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