

Congress of the United States  
JOINT COMMITTEE ON TAXATION  
Washington, DC 20515-6453

**MAY 04 2010**

**MEMORANDUM**

**TO:**

**FROM:** Thomas A. Barthold



**SUBJECT:** Revenue Estimate

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This memorandum and the attached tables are in response to your requests of March 18, 2010, and April 12, 2010, for estimates of the distributional effects of several proposals included in H.R. 4872, the "Reconciliation Act of 2010," in combination with H.R. 3590, the "Patient Protection and Affordable Care Act ('PPACA')." The attached tables show the estimated distributional effects of: (1) the increased hospital insurance tax on certain high-income individuals and the 3.8 percent tax on certain unearned income (#D-10-01, #D-10-03); (2) the exchange plan credits and subsidies to certain low-income individuals (#D-10-02); and (3) the increase in the AGI threshold for the deduction of medical expenses (#D-10-04).

In addition, you asked us to enumerate the items that we have not distributed and that we believe could affect the tax liability of taxpayers with AGI below \$200,000 (\$250,000 in the case of a joint return). Below is a list of the provisions that we have not distributed and that have statutory incidence on the individual, with some of those individuals likely to have income below your threshold:

- 1.) Conform definition of medical expenses for health savings accounts, Archer MSAs, health flexible spending arrangements, and health reimbursement arrangements;
- 2.) Increase the penalty for nonqualified health savings account distributions to 20%;
- 3.) Limit health flexible spending arrangements in cafeteria plans to \$2,500;
- 4.) Impose 10 percent excise tax on indoor tanning services; and
- 5.) Impose an individual mandate penalty.

Attachments: Tables #D-10-01, #D-10-02, #D-10-03, and #D-10-04.

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO INCREASE THE HOSPITAL INSURANCE ("HI") TAX  
ON CERTAIN HIGH INCOME INDIVIDUALS AND A IMPOSE MEDICARE TAX ON CERTAIN UNEARNED INCOME  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS ENACTED (1)**

**Calendar Year 2015**

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
							Present Law	Proposal
	Millions	Percent	Billions	Percent	Billions	Percent	Percent	Percent
Less than \$10,000.....	\$1	(6)	\$10	0.4%	\$10	0.3%	7.6%	7.6%
\$10,000 to \$20,000.....	\$1	(6)	\$18	0.6%	\$18	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	\$2	(6)	\$48	1.7%	\$48	1.7%	10.3%	10.3%
\$30,000 to \$40,000.....	\$2	(6)	\$81	2.9%	\$81	2.8%	13.8%	13.8%
\$40,000 to \$50,000.....	\$1	(6)	\$103	3.6%	\$103	3.6%	14.5%	14.5%
\$50,000 to \$75,000.....	\$13	(6)	\$299	10.5%	\$299	10.4%	16.2%	16.2%
\$75,000 to \$100,000.....	\$11	(6)	\$318	11.2%	\$318	11.1%	18.1%	18.1%
\$100,000 to \$200,000.....	\$163	(6)	\$812	28.6%	\$812	28.3%	22.5%	22.5%
\$200,000 to \$500,000.....	\$6,230	1.3%	\$484	17.0%	\$490	17.1%	27.4%	27.9%
\$500,000 to \$1,000,000..	\$5,745	3.1%	\$186	6.6%	\$192	6.7%	29.8%	31.0%
\$1,000,000 and over.....	\$17,975	3.7%	\$479	16.9%	\$497	17.3%	29.8%	31.7%
<b>Total, All Taxpayers.....</b>	<b>\$30,145</b>	<b>1.1%</b>	<b>\$2,838</b>	<b>100.0%</b>	<b>\$2,868</b>	<b>100.0%</b>	<b>21.1%</b>	<b>21.4%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the HI tax by 0.9 percentage points on earnings in excess of \$200,000 (\$250,000 for married taxpayers filing a joint return). Also, the proposal would impose a 3.8% tax on the investment income of taxpayers with AGI in excess of \$200,000 (\$250,000). The income thresholds are not indexed for inflation. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than \$500,000
- (6) Less than 0.05%

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO INCREASE THE HOSPITAL INSURANCE ("HI") TAX  
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CARE ACT ("PPACA"), AS ENACTED (1)**

Calendar Year 2017

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
	Millions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$10,000.....	(5)	(6)	\$10	0.3%	\$10	0.3%	7.3%	7.3%
\$10,000 to \$20,000.....	\$1	(6)	\$19	0.6%	\$19	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	(5)	(6)	\$52	1.7%	\$52	1.7%	10.4%	10.4%
\$30,000 to \$40,000.....	\$4	(6)	\$88	2.8%	\$88	2.8%	13.9%	13.9%
\$40,000 to \$50,000.....	(5)	(6)	\$111	3.6%	\$111	3.5%	14.5%	14.5%
\$50,000 to \$75,000.....	\$15	(6)	\$325	10.5%	\$325	10.3%	16.2%	16.2%
\$75,000 to \$100,000.....	\$12	(6)	\$346	11.1%	\$346	11.0%	18.0%	18.0%
\$100,000 to \$200,000.....	\$403	(6)	\$887	28.5%	\$888	28.2%	22.6%	22.6%
\$200,000 to \$500,000.....	\$7,492	1.4%	\$535	17.2%	\$543	17.3%	27.7%	28.2%
\$500,000 to \$1,000,000...	\$6,346	3.1%	\$205	6.6%	\$211	6.7%	29.9%	31.2%
\$1,000,000 and over.....	\$19,951	3.8%	\$531	17.1%	\$551	17.5%	29.8%	31.7%
<b>Total, All Taxpayers.....</b>	<b>\$34,224</b>	<b>1.1%</b>	<b>\$3,109</b>	<b>100.0%</b>	<b>\$3,144</b>	<b>100.0%</b>	<b>21.2%</b>	<b>21.5%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
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Calendar Year 2019

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	Millions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$10,000.....	(5)	(6)	\$11	0.3%	\$11	0.3%	7.0%	7.0%
\$10,000 to \$20,000.....	\$1	(6)	\$21	0.6%	\$21	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	(5)	(6)	\$57	1.7%	\$57	1.7%	10.4%	10.4%
\$30,000 to \$40,000.....	\$4	(6)	\$95	2.8%	\$95	2.8%	14.0%	14.0%
\$40,000 to \$50,000.....	\$2	(6)	\$120	3.5%	\$120	3.5%	14.5%	14.5%
\$50,000 to \$75,000.....	\$15	(6)	\$352	10.4%	\$352	10.3%	16.1%	16.1%
\$75,000 to \$100,000.....	\$18	(6)	\$377	11.1%	\$377	11.0%	17.9%	17.9%
\$100,000 to \$200,000.....	\$424	(6)	\$966	28.5%	\$966	28.2%	22.6%	22.6%
\$200,000 to \$500,000.....	\$8,623	1.5%	\$589	17.3%	\$597	17.4%	27.9%	28.5%
\$500,000 to \$1,000,000..	\$6,824	3.0%	\$224	6.6%	\$231	6.7%	30.0%	31.2%
\$1,000,000 and over.....	\$21,695	3.7%	\$583	17.2%	\$604	17.6%	29.8%	31.8%
<b>Total, All Taxpayers.....</b>	<b>\$37,606</b>	<b>1.1%</b>	<b>\$3,393</b>	<b>100.0%</b>	<b>\$3,431</b>	<b>100.0%</b>	<b>21.2%</b>	<b>21.5%</b>

Source: Joint Committee on Taxation

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- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than \$500,000
- (6) Less than 0.05%

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO PROVIDE  
EXCHANGE PLAN CREDITS AND SUBSIDIES TO CERTAIN LOW-INCOME TAXPAYERS  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
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Calendar Year 2017

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
							Present Law	Proposal
	Millions	Percent	Billions	Percent	Billions	Percent	Percent	Percent
Less than \$10,000.....	-\$455	-4.4%	\$10	0.3%	\$10	0.3%	7.3%	6.9%
\$10,000 to \$20,000.....	-\$6,214	-32.6%	\$19	0.6%	\$13	0.4%	4.8%	3.2%
\$20,000 to \$30,000.....	-\$20,359	-39.0%	\$52	1.7%	\$32	1.1%	10.4%	6.3%
\$30,000 to \$40,000.....	-\$22,648	-25.8%	\$88	2.8%	\$65	2.2%	13.9%	10.3%
\$40,000 to \$50,000.....	-\$17,380	-15.7%	\$111	3.6%	\$94	3.1%	14.5%	12.2%
\$50,000 to \$75,000.....	-\$23,760	-7.3%	\$325	10.5%	\$301	10.0%	16.2%	15.0%
\$75,000 to \$100,000.....	-\$6,865	-2.0%	\$346	11.1%	\$339	11.3%	18.0%	17.6%
\$100,000 to \$200,000.....	-\$1,173	-0.1%	\$887	28.5%	\$886	29.4%	22.6%	22.6%
\$200,000 to \$500,000.....	(5)	(6)	\$535	17.2%	\$535	17.8%	27.7%	27.7%
\$500,000 to \$1,000,000.....	(5)	(6)	\$205	6.6%	\$205	6.8%	29.9%	29.9%
\$1,000,000 and over.....	(5)	(6)	\$531	17.1%	\$531	17.6%	29.8%	29.8%
<b>Total, All Taxpayers.....</b>	<b>-\$98,853</b>	<b>-3.2%</b>	<b>\$3,109</b>	<b>100.0%</b>	<b>\$3,011</b>	<b>100.0%</b>	<b>21.2%</b>	<b>20.5%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would provide refundable tax credits would be provided to taxpayers who enroll in exchange plans with income between 100 percent and 400 percent of FPL. The proposal provides for outlays in the form of cost-sharing subsidies for out-of-pocket medical expenses for exchange participants between 100% and 250% of FPL. The analysis is a stand-alone estimate of the effects of the subsidies and credits and does not include interaction with other part of the broader package. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
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- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than \$500,000.
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**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO PROVIDE  
EXCHANGE PLAN CREDITS AND SUBSIDIES TO CERTAIN LOW-INCOME TAXPAYERS  
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Calendar Year 2019

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
							Present Law	Proposal
	Millions	Percent	Billions	Percent	Billions	Percent	Percent	Percent
Less than \$10,000.....	-\$575	-5.4%	\$11	0.3%	\$10	0.3%	7.0%	6.6%
\$10,000 to \$20,000.....	-\$7,699	-37.3%	\$21	0.6%	\$13	0.4%	4.8%	3.0%
\$20,000 to \$30,000.....	-\$23,750	-41.8%	\$57	1.7%	\$33	1.0%	10.4%	6.1%
\$30,000 to \$40,000.....	-\$26,173	-27.6%	\$95	2.8%	\$69	2.1%	14.0%	10.1%
\$40,000 to \$50,000.....	-\$19,981	-16.7%	\$120	3.5%	\$100	3.0%	14.5%	12.1%
\$50,000 to \$75,000.....	-\$27,098	-7.7%	\$352	10.4%	\$325	9.9%	16.1%	14.9%
\$75,000 to \$100,000.....	-\$7,617	-2.0%	\$377	11.1%	\$370	11.3%	17.9%	17.5%
\$100,000 to \$200,000.....	-\$1,059	-0.1%	\$966	28.5%	\$965	29.4%	22.6%	22.6%
\$200,000 to \$500,000.....	(5)	(6)	\$589	17.3%	\$589	18.0%	27.9%	27.9%
\$500,000 to \$1,000,000.....	(5)	(6)	\$224	6.6%	\$224	6.8%	30.0%	30.0%
\$1,000,000 and over.....	(5)	(6)	\$583	17.2%	\$583	17.8%	29.8%	29.8%
<b>Total, All Taxpayers.....</b>	<b>-\$113,952</b>	<b>-3.4%</b>	<b>\$3,393</b>	<b>100.0%</b>	<b>\$3,279</b>	<b>100.0%</b>	<b>21.2%</b>	<b>20.5%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would provide refundable tax credits would be provided to taxpayers who enroll in exchange plans with income between 100 percent and 400 percent of FPL. The proposal provides for outlays in the form of cost-sharing subsidies for out-of-pocket medical expenses for exchange participants between 100% and 250% of FPL. The analysis is a stand-alone estimate of the effects of the subsidies and credits and does not include interaction with other part of the broader package. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
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- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than \$500,000.
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CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)  
[Returns in Thousands; Dollars in Millions]**

Calendar Year 2017

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	85	-\$455	72	-\$343	2	-\$11	11	-\$101
\$10,000 to \$20,000.....	925	-\$6,214	674	-\$3,854	55	-\$467	196	-\$1,893
\$20,000 to \$30,000.....	3,001	-\$20,359	1,370	-\$6,424	236	-\$3,332	1,396	-\$10,603
\$30,000 to \$40,000.....	3,131	-\$22,648	1,224	-\$4,344	450	-\$6,500	1,457	-\$11,804
\$40,000 to \$50,000.....	1,991	-\$17,380	534	-\$1,998	461	-\$6,397	996	-\$8,985
\$50,000 to \$75,000.....	2,188	-\$23,760	109	-\$386	1,068	-\$14,023	1,010	-\$9,351
\$75,000 to \$100,000.....	638	-\$6,865	(4)	-\$1	555	-\$6,186	83	-\$678
\$100,000 to \$200,000.....	133	-\$1,173	(4)	-\$2	130	-\$1,138	3	-\$33
\$200,000 to \$500,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$500,000 to \$1,000,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$1,000,000 and over.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
<b>Total, All Taxpayers.....</b>	<b>12,092</b>	<b>-\$98,853</b>	<b>3,983</b>	<b>-\$17,351</b>	<b>2,957</b>	<b>-\$38,054</b>	<b>5,152</b>	<b>-\$43,448</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would provide refundable tax credits would be provided to taxpayers who enroll in exchange plans with income between 100 percent and 400 percent of FPL. The proposal provides for outlays in the form of cost-sharing subsidies for out-of-pocket medical expenses for exchange participants between 100% and 250% of FPL. The analysis is a stand-alone estimate of the effects of the subsidies and credits and does not include interaction with other part of the broader package. The analysis is relative to present law before the enactment of PPACA.
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[Returns in Thousands; Dollars in Millions]**

Calendar Year 2019

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	96	-\$575	80	-\$420	2	-\$13	13	-\$142
\$10,000 to \$20,000.....	1,028	-\$7,699	709	-\$4,503	62	-\$596	257	-\$2,600
\$20,000 to \$30,000.....	3,163	-\$23,750	1,378	-\$7,065	269	-\$4,210	1,516	-\$12,475
\$30,000 to \$40,000.....	3,283	-\$26,173	1,224	-\$4,912	539	-\$8,482	1,520	-\$12,779
\$40,000 to \$50,000.....	2,015	-\$19,981	498	-\$2,087	503	-\$7,661	1,014	-\$10,233
\$50,000 to \$75,000.....	2,266	-\$27,098	104	-\$402	1,115	-\$16,186	1,047	-\$10,510
\$75,000 to \$100,000.....	661	-\$7,617	1	-\$1	579	-\$6,962	81	-\$654
\$100,000 to \$200,000.....	112	-\$1,059	(4)	-\$2	111	-\$1,052	1	-\$5
\$200,000 to \$500,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$500,000 to \$1,000,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$1,000,000 and over.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
<b>Total, All Taxpayers.....</b>	<b>12,623</b>	<b>-\$113,952</b>	<b>3,994</b>	<b>-\$19,392</b>	<b>3,180</b>	<b>-\$45,162</b>	<b>5,449</b>	<b>-\$49,398</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would provide refundable tax credits would be provided to taxpayers who enroll in exchange plans with income between 100 percent and 400 percent of FPL. The proposal provides for outlays in the form of cost-sharing subsidies for out-of-pocket medical expenses for exchange participants between 100% and 250% of FPL. The analysis is a stand-alone estimate of the effects of the subsidies and credits and does not include interaction with other part of the broader package. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than \$500,000.
- (6) Less than 0.05%.



**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO INCREASE THE HOSPITAL INSURANCE ("HI") TAX  
ON CERTAIN HIGH INCOME INDIVIDUALS AND A IMPOSE MEDICARE TAX ON CERTAIN UNEARNED INCOME  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS ENACTED (1)**

[Returns in Thousands]

Calendar Year 2015

INCOME CATEGORY (2)	NUMBER OF RETURNS AFFECTED			
	All Returns	Single Filers	Joint Filers	Head of Household
	Returns	Returns	Returns	Returns
Less than \$10,000.....	(3)	(3)	(3)	(3)
\$10,000 to \$20,000.....	(3)	(3)	(3)	(3)
\$20,000 to \$30,000.....	1	1	(3)	(3)
\$30,000 to \$40,000.....	1	1	(3)	(3)
\$40,000 to \$50,000.....	(3)	(3)	(3)	(3)
\$50,000 to \$75,000.....	4	1	1	1
\$75,000 to \$100,000.....	4	3	2	(3)
\$100,000 to \$200,000.....	250	110	124	16
\$200,000 to \$500,000.....	3,209	648	2,446	115
\$500,000 to \$1,000,000...	825	106	695	24
\$1,000,000 and over.....	457	61	385	10
<b>Total, All Taxpayers.....</b>	<b>4,752</b>	<b>931</b>	<b>3,654</b>	<b>167</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the HI tax by 0.9 percentage points on earnings in excess of \$200,000 (\$250,000 for married taxpayers filing a joint return). Also, the proposal would impose a 3.8% tax on the investment income of taxpayers with AGI in excess of \$200,000 (\$250,000). The income thresholds are not indexed for inflation. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Less than 500

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO INCREASE THE HOSPITAL INSURANCE ("HI") TAX  
ON CERTAIN HIGH INCOME INDIVIDUALS AND A IMPOSE MEDICARE TAX ON CERTAIN UNEARNED INCOME  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS ENACTED (1)**

[Returns in Thousands]

Calendar Year 2017

INCOME CATEGORY (1)	NUMBER OF RETURNS AFFECTED			
	All Returns	Single Filers	Joint Filers	Head of Household
	Returns	Returns	Returns	Returns
Less than \$10,000.....	(3)	(3)	(3)	(3)
\$10,000 to \$20,000.....	(3)	(3)	(3)	(3)
\$20,000 to \$30,000.....	(3)	(3)	(3)	(3)
\$30,000 to \$40,000.....	2	2	(3)	(3)
\$40,000 to \$50,000.....	(3)	(3)	(3)	(3)
\$50,000 to \$75,000.....	4	2	1	1
\$75,000 to \$100,000.....	4	2	2	(3)
\$100,000 to \$200,000.....	428	228	168	32
\$200,000 to \$500,000.....	3,718	681	2,914	123
\$500,000 to \$1,000,000...	853	110	718	25
\$1,000,000 and over.....	476	64	401	11
<b>Total, All Taxpayers.....</b>	<b>5,485</b>	<b>1,089</b>	<b>4,204</b>	<b>192</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the HI tax by 0.9 percentage points on earnings in excess of \$200,000 (\$250,000 for married taxpayers filing a joint return). Also, the proposal would impose a 3.8% tax on the investment income of taxpayers with AGI in excess of \$200,000 (\$250,000). The income thresholds are not indexed for inflation. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Less than 500

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO INCREASE THE HOSPITAL INSURANCE ("HI") TAX  
ON CERTAIN HIGH INCOME INDIVIDUALS AND A IMPOSE MEDICARE TAX ON CERTAIN UNEARNED INCOME  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS ENACTED (1)**

[Returns in Thousands]

Calendar Year 2019

INCOME CATEGORY (1)	NUMBER OF RETURNS AFFECTED			
	All Returns	Single Filers	Joint Filers	Head of Household
	Returns	Returns	Returns	Returns
Less than \$10,000.....	(3)	(3)	(3)	(3)
\$10,000 to \$20,000.....	(3)	(3)	(3)	(3)
\$20,000 to \$30,000.....	(3)	(3)	(3)	(3)
\$30,000 to \$40,000.....	1	1	(3)	(3)
\$40,000 to \$50,000.....	1	1	(3)	(3)
\$50,000 to \$75,000.....	4	2	1	1
\$75,000 to \$100,000.....	7	3	5	(3)
\$100,000 to \$200,000.....	627	355	209	63
\$200,000 to \$500,000.....	4,282	712	3,441	129
\$500,000 to \$1,000,000...	881	114	741	26
\$1,000,000 and over.....	492	67	413	11
<b>Total, All Taxpayers.....</b>	<b>6,295</b>	<b>1,254</b>	<b>4,810</b>	<b>231</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the HI tax by 0.9 percentage points on earnings in excess of \$200,000 (\$250,000 for married taxpayers filing a joint return). Also, the proposal would impose a 3.8% tax on the investment income of taxpayers with AGI in excess of \$200,000 (\$250,000). The income thresholds are not indexed for inflation. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Less than 500

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

Calendar Year 2015

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
	Millions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$10,000.....	\$0	0.0%	\$10	0.4%	\$10	0.4%	7.6%	7.6%
\$10,000 to \$20,000.....	\$11	0.1%	\$18	0.6%	\$18	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	\$45	0.1%	\$48	1.7%	\$48	1.7%	10.3%	10.3%
\$30,000 to \$40,000.....	\$105	0.1%	\$81	2.9%	\$82	2.9%	13.8%	13.8%
\$40,000 to \$50,000.....	\$159	0.2%	\$103	3.6%	\$103	3.6%	14.5%	14.6%
\$50,000 to \$75,000.....	\$484	0.2%	\$299	10.5%	\$300	10.6%	16.2%	16.2%
\$75,000 to \$100,000.....	\$375	0.1%	\$318	11.2%	\$319	11.2%	18.1%	18.1%
\$100,000 to \$200,000.....	\$437	0.1%	\$812	28.6%	\$812	28.6%	22.5%	22.5%
\$200,000 to \$500,000.....	\$32	(5)	\$484	17.0%	\$484	17.0%	27.4%	27.4%
\$500,000 to \$1,000,000.....	\$14	(5)	\$186	6.6%	\$186	6.6%	29.8%	29.8%
\$1,000,000 and over.....	\$4	(5)	\$479	16.9%	\$479	16.9%	29.8%	29.8%
<b>Total, All Taxpayers.....</b>	<b>\$1,666</b>	<b>0.1%</b>	<b>\$2,838</b>	<b>100.0%</b>	<b>\$2,840</b>	<b>100.0%</b>	<b>21.1%</b>	<b>21.1%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than 0.05%.
- (6) Less than \$500,000.

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

Calendar Year 2017

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
	Millions	Percent	Billions	Percent	Billions	Percent	Present Law Percent	Proposal Percent
Less than \$10,000.....	(6)	(5)	\$10	0.3%	\$10	0.3%	7.3%	7.3%
\$10,000 to \$20,000.....	\$16	0.1%	\$19	0.6%	\$19	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	\$63	0.1%	\$52	1.7%	\$52	1.7%	10.4%	10.4%
\$30,000 to \$40,000.....	\$146	0.2%	\$88	2.8%	\$88	2.8%	13.9%	13.9%
\$40,000 to \$50,000.....	\$246	0.2%	\$111	3.6%	\$111	3.6%	14.5%	14.6%
\$50,000 to \$75,000.....	\$899	0.3%	\$325	10.5%	\$326	10.5%	16.2%	16.2%
\$75,000 to \$100,000.....	\$906	0.3%	\$346	11.1%	\$347	11.2%	18.0%	18.0%
\$100,000 to \$200,000.....	\$1,309	0.1%	\$887	28.5%	\$889	28.5%	22.6%	22.6%
\$200,000 to \$500,000.....	\$109	(5)	\$535	17.2%	\$535	17.2%	27.7%	27.7%
\$500,000 to \$1,000,000.....	\$24	(5)	\$205	6.6%	\$205	6.6%	29.9%	29.9%
\$1,000,000 and over.....	\$15	(5)	\$531	17.1%	\$531	17.0%	29.8%	29.8%
<b>Total, All Taxpayers.....</b>	<b>\$3,734</b>	<b>0.1%</b>	<b>\$3,109</b>	<b>100.0%</b>	<b>\$3,113</b>	<b>100.0%</b>	<b>21.2%</b>	<b>21.2%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than 0.05%.
- (6) Less than \$500,000.

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

Calendar Year 2019

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)		FEDERAL TAXES (3) UNDER PRESENT LAW		FEDERAL TAXES (3) UNDER PROPOSAL		Average Tax Rate (4)	
							Present Law	Proposal
	Millions	Percent	Billions	Percent	Billions	Percent	Percent	Percent
Less than \$10,000.....	\$1	(5)	\$11	0.3%	\$11	0.3%	7.0%	7.0%
\$10,000 to \$20,000.....	\$21	0.1%	\$21	0.6%	\$21	0.6%	4.8%	4.8%
\$20,000 to \$30,000.....	\$76	0.1%	\$57	1.7%	\$57	1.7%	10.4%	10.5%
\$30,000 to \$40,000.....	\$174	0.2%	\$95	2.8%	\$95	2.8%	14.0%	14.0%
\$40,000 to \$50,000.....	\$284	0.2%	\$120	3.5%	\$120	3.5%	14.5%	14.5%
\$50,000 to \$75,000.....	\$1,005	0.3%	\$352	10.4%	\$353	10.4%	16.1%	16.2%
\$75,000 to \$100,000.....	\$1,008	0.3%	\$377	11.1%	\$378	11.1%	17.9%	17.9%
\$100,000 to \$200,000.....	\$1,343	0.1%	\$966	28.5%	\$967	28.5%	22.6%	22.7%
\$200,000 to \$500,000.....	\$105	(5)	\$589	17.3%	\$589	17.3%	27.9%	27.9%
\$500,000 to \$1,000,000.....	\$27	(5)	\$224	6.6%	\$224	6.6%	30.0%	30.0%
\$1,000,000 and over.....	\$16	(5)	\$583	17.2%	\$583	17.1%	29.8%	29.8%
<b>Total, All Taxpayers.....</b>	<b>\$4,060</b>	<b>0.1%</b>	<b>\$3,393</b>	<b>100.0%</b>	<b>\$3,397</b>	<b>100.0%</b>	<b>21.2%</b>	<b>21.2%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than 0.05%.

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

[Returns in Thousands; Dollars in Millions]

Calendar Year 2015

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	6	(5)	5	(5)	1	(5)	(4)	(5)
\$10,000 to \$20,000.....	204	\$11	164	\$8	24	\$2	16	\$1
\$20,000 to \$30,000.....	564	\$45	357	\$28	141	\$12	66	\$5
\$30,000 to \$40,000.....	953	\$105	502	\$54	312	\$37	139	\$15
\$40,000 to \$50,000.....	1,131	\$159	508	\$73	391	\$55	232	\$31
\$50,000 to \$75,000.....	2,321	\$484	626	\$168	1,310	\$253	384	\$63
\$75,000 to \$100,000.....	1,263	\$375	146	\$70	1,052	\$285	65	\$19
\$100,000 to \$200,000.....	794	\$437	67	\$50	716	\$381	11	\$6
\$200,000 to \$500,000.....	21	\$32	3	\$4	18	\$25	(4)	\$2
\$500,000 to \$1,000,000.....	2	\$14	(4)	\$1	2	\$10	(4)	\$3
\$1,000,000 and over.....	(4)	\$4	(4)	\$1	(4)	\$3	(4)	(5)
<b>Total, All Taxpayers.....</b>	<b>7,259</b>	<b>\$1,666</b>	<b>2,378</b>	<b>\$459</b>	<b>3,967</b>	<b>\$1,063</b>	<b>913</b>	<b>\$144</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) Less than 500.
- (5) Less than \$500,000.

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

[Returns in Thousands; Dollars in Millions]

Calendar Year 2017

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	10	(5)	9	(5)	2	(5)	(4)	(5)
\$10,000 to \$20,000.....	292	\$16	241	\$12	31	\$2	20	\$1
\$20,000 to \$30,000.....	759	\$63	496	\$40	185	\$16	78	\$7
\$30,000 to \$40,000.....	1,344	\$146	760	\$78	394	\$48	190	\$21
\$40,000 to \$50,000.....	1,841	\$246	1,072	\$134	501	\$75	269	\$36
\$50,000 to \$75,000.....	4,258	\$899	1,812	\$446	2,034	\$381	413	\$72
\$75,000 to \$100,000.....	3,053	\$906	521	\$251	2,466	\$635	66	\$20
\$100,000 to \$200,000.....	2,225	\$1,309	280	\$196	1,931	\$1,106	14	\$7
\$200,000 to \$500,000.....	81	\$109	15	\$29	65	\$78	(4)	\$2
\$500,000 to \$1,000,000.....	4	\$24	1	\$5	3	\$16	(4)	\$4
\$1,000,000 and over.....	1	\$15	(4)	\$5	1	\$10	(4)	(5)
<b>Total, All Taxpayers.....</b>	<b>13,869</b>	<b>\$3,734</b>	<b>5,207</b>	<b>\$1,196</b>	<b>7,611</b>	<b>\$2,367</b>	<b>1,051</b>	<b>\$171</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
- (2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.
- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) Less than 500.
- (5) Less than \$500,000.



**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO  
INCREASE THE AGI FLOOR FOR THE MEDICAL EXPENSE DEDUCTION TO TEN PERCENT  
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE  
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE  
CARE ACT ("PPACA"), AS PASSED BY THE SENATE (1)**

[Returns in Thousands; Dollars in Millions]

Calendar Year 2019

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	17	\$1	16	\$1	1	(5)	(4)	(5)
\$10,000 to \$20,000.....	347	\$21	287	\$17	36	\$2	24	\$2
\$20,000 to \$30,000.....	844	\$76	543	\$47	202	\$20	99	\$10
\$30,000 to \$40,000.....	1,508	\$174	837	\$91	419	\$54	252	\$29
\$40,000 to \$50,000.....	2,007	\$284	1,191	\$160	537	\$85	279	\$39
\$50,000 to \$75,000.....	4,508	\$1,005	1,949	\$508	2,143	\$421	417	\$77
\$75,000 to \$100,000.....	3,232	\$1,008	546	\$278	2,636	\$713	50	\$17
\$100,000 to \$200,000.....	2,274	\$1,343	285	\$203	1,979	\$1,136	9	\$5
\$200,000 to \$500,000.....	73	\$105	15	\$29	58	\$74	1	\$3
\$500,000 to \$1,000,000.....	4	\$27	1	\$5	3	\$17	1	\$4
\$1,000,000 and over.....	1	\$16	(1)	\$6	1	\$11	(4)	(5)
<b>Total, All Taxpayers.....</b>	<b>14,817</b>	<b>\$4,060</b>	<b>5,671</b>	<b>\$1,344</b>	<b>8,015</b>	<b>\$2,532</b>	<b>1,131</b>	<b>\$184</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) The proposal would increase the AGI threshold for the deduction of medical expenses from 7.5% to 10%. The proposal does not apply to individuals age 65 and older for tax years before 2017. The analysis is relative to present law before the enactment of PPACA.
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- (3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.
- (4) Less than 500.
- (5) Less than \$500,000.