

**DISTRIBUTIONAL EFFECTS OF THE
ESTIMATED BUDGETARY EFFECTS OF SUBTITLE B AND AN AMENDMENT IN THE NATURE OF A SUBTITLE
TO THE REVENUE PROVISIONS OF SUBTITLES F, G, H, AND I
OF THE BUDGET RECONCILIATION LEGISLATIVE RECOMMENDATIONS BY THE COMMITTEE ON WAYS AND MEANS**

Calendar Year 2023

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.....	-\$9,944	-256.3%	\$3.9	0.1%	-\$6.1	-0.2%	7.3%	-11.5%
\$10,000 to \$20,000.....	-\$24,669	(5)	-\$1.3	(6)	-\$26.0	-0.7%	-0.5%	-10.4%
\$20,000 to \$30,000.....	-\$18,719	-87.4%	\$21.4	0.6%	\$2.7	0.1%	4.3%	0.5%
\$30,000 to \$40,000.....	-\$11,756	-24.3%	\$48.3	1.3%	\$36.6	1.0%	7.8%	5.9%
\$40,000 to \$50,000.....	-\$9,750	-13.9%	\$70.1	1.8%	\$60.4	1.6%	10.4%	9.0%
\$50,000 to \$75,000.....	-\$15,276	-6.2%	\$244.7	6.4%	\$229.4	6.0%	13.0%	12.2%
\$75,000 to \$100,000.....	-\$9,181	-3.4%	\$268.0	7.0%	\$258.8	6.8%	15.8%	15.3%
\$100,000 to \$200,000.....	-\$17,646	-1.8%	\$957.6	25.0%	\$939.9	24.6%	19.1%	18.8%
\$200,000 to \$500,000.....	\$2,862	0.3%	\$953.3	24.9%	\$956.2	25.1%	24.1%	24.1%
\$500,000 to \$1,000,000..	\$5,598	1.6%	\$352.0	9.2%	\$357.6	9.4%	28.5%	29.9%
\$1,000,000 and over.....	\$96,497	10.6%	\$908.3	23.7%	\$1,004.8	26.3%	30.2%	37.3%
Total, All Taxpayers.....	-\$11,985	-0.3%	\$3,826.3	100.0%	\$3,814.3	100.0%	20.3%	20.6%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals contained in JCX-35-21 and revenue table JCX-42-21, except the following:

Subtitle B: automatic contribution plans; **Subtitle F:** Part 1, Part 4 items 1 and 3, Part 6, and Part 7; **Subtitle G:** Part 3 items 1,4, and 5, Part 4 items 1 and 5-7, Part 6; **Subtitle H:** Part 3 item 2, Part 5, Part 6, and Part 7; **Subtitle I:** Part 2 items 7-10, Part 3, Part 4, and Part 5 items 2, 3, 7, 8, 11, 12, 14, 15, and 17-20.

(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] workers' compensation,

[5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items,

[8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2021 levels.

(3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), excise taxes (attributed to consumers), and corporate income taxes. The estimates of Federal taxes are preliminary and subject to change.

Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.

Does not include indirect effects.

(4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).

(5) For returns in the \$10,000 to \$20,000 income category, Federal taxes would decrease from -\$1.336 billion to -\$26.006 billion.

(6) Less than 0.05%

**DISTRIBUTIONAL EFFECTS OF THE
ESTIMATED BUDGETARY EFFECTS OF SUBTITLE B AND AN AMENDMENT IN THE NATURE OF A SUBTITUTE
TO THE REVENUE PROVISIONS OF SUBTITLES F, G, H, AND I
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Calendar Year 2025

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.....	-\$10,380	-286.8%	\$3.6	0.1%	-\$6.8	-0.2%	6.5%	-12.1%
\$10,000 to \$20,000.....	-\$26,585	(5)	-\$2.0	(6)	-\$28.6	-0.7%	-0.8%	-10.9%
\$20,000 to \$30,000.....	-\$19,710	-83.3%	\$23.7	0.6%	\$4.0	0.1%	4.5%	0.7%
\$30,000 to \$40,000.....	-\$13,028	-25.3%	\$51.5	1.3%	\$38.4	0.9%	7.7%	5.8%
\$40,000 to \$50,000.....	-\$11,196	-14.9%	\$74.9	1.8%	\$63.7	1.6%	10.4%	8.9%
\$50,000 to \$75,000.....	-\$16,860	-6.3%	\$266.7	6.5%	\$249.8	6.1%	13.0%	12.2%
\$75,000 to \$100,000.....	-\$9,052	-3.1%	\$294.6	7.2%	\$285.5	7.0%	15.8%	15.3%
\$100,000 to \$200,000.....	-\$14,751	-1.4%	\$1,046.2	25.6%	\$1,031.5	25.1%	19.1%	18.9%
\$200,000 to \$500,000.....	\$9,254	0.9%	\$1,031.9	25.2%	\$1,041.2	25.4%	24.1%	24.4%
\$500,000 to \$1,000,000..	\$9,923	2.6%	\$379.4	9.3%	\$389.4	9.5%	28.7%	30.1%
\$1,000,000 and over.....	\$111,973	12.1%	\$924.0	22.6%	\$1,035.9	25.2%	30.5%	37.2%
Total, All Taxpayers.....	\$9,588	0.2%	\$4,094.5	100.0%	\$4,104.1	100.0%	20.2%	20.6%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals contained in JCX-35-21 and revenue table JCX-42-21, except the following:

Subtitle B: automatic contribution plans; **Subtitle F:** Part 1, Part 4 items 1 and 3, Part 6, and Part 7; **Subtitle G:** Part 3 items 1,4, and 5, Part 4 items 1 and 5-7, Part 6; **Subtitle H:** Part 3 item 2, Part 5, Part 6, and Part 7; **Subtitle I:** Part 2 items 7-10, Part 3, Part 4, and Part 5 items 2, 3, 7, 8, 11, 12, 14, 15, and 17-20.

(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] workers' compensation,

[5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items,

[8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2021 levels.

(3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), excise taxes (attributed to consumers), and corporate income taxes. The estimates of Federal taxes are preliminary and subject to change.

Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.

Does not include indirect effects.

(4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).

(5) For returns in the \$10,000 to \$20,000 income category, Federal taxes would increase from -\$1.996 billion to -\$28.580 billion.

(6) Less than 0.05%

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TO THE REVENUE PROVISIONS OF SUBTITLES F, G, H, AND I
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Calendar Year 2027

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.....	-\$3,556	-102.7%	\$3.5	0.1%	-\$0.1	0.0%	5.8%	-0.2%
\$10,000 to \$20,000.....	-\$6,075	(5)	-\$0.2	(6)	-\$6.3	-0.1%	-0.1%	-2.2%
\$20,000 to \$30,000.....	-\$509	-1.6%	\$31.1	0.7%	\$30.6	0.6%	5.5%	5.4%
\$30,000 to \$40,000.....	\$38	0.1%	\$62.4	1.3%	\$62.5	1.3%	8.7%	8.7%
\$40,000 to \$50,000.....	\$207	0.2%	\$86.3	1.8%	\$86.5	1.8%	11.2%	11.3%
\$50,000 to \$75,000.....	\$3,255	1.0%	\$311.8	6.7%	\$315.0	6.5%	14.0%	14.2%
\$75,000 to \$100,000.....	\$4,513	1.3%	\$344.3	7.4%	\$348.9	7.2%	16.8%	17.1%
\$100,000 to \$200,000.....	\$17,603	1.5%	\$1,204.8	25.8%	\$1,222.4	25.4%	20.2%	20.5%
\$200,000 to \$500,000.....	\$23,934	2.0%	\$1,193.1	25.6%	\$1,217.0	25.3%	25.6%	26.1%
\$500,000 to \$1,000,000..	\$11,550	2.6%	\$442.2	9.5%	\$453.8	9.4%	30.7%	31.9%
\$1,000,000 and over.....	\$103,936	10.5%	\$985.4	21.1%	\$1,089.3	22.6%	32.0%	38.1%
Total, All Taxpayers.....	\$154,896	3.3%	\$4,664.7	100.0%	\$4,819.6	100.0%	21.4%	22.3%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals contained in JCX-35-21 and revenue table JCX-42-21, except the following:

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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] workers' compensation, [5] nontaxable Social Security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, [8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2021 levels.

(3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), excise taxes (attributed to consumers), and corporate income taxes. The estimates of Federal taxes are preliminary and subject to change. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis. Does not include indirect effects.

(4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).

(5) For returns in the \$10,000 to \$20,000 income category, Federal taxes would increase from -\$0.211 billion to -\$6.286 billion.

(6) Less than 0.05%

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Calendar Year 2029

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.....	-\$3,907	-184.4%	\$2.1	(5)	-\$1.8	(5)	2.7%	-2.3%
\$10,000 to \$20,000.....	-\$6,334	-544.0%	\$1.2	(5)	-\$5.2	-0.1%	0.3%	-1.5%
\$20,000 to \$30,000.....	-\$576	-1.3%	\$44.3	0.9%	\$43.8	0.9%	6.2%	6.1%
\$30,000 to \$40,000.....	-\$142	-0.2%	\$76.6	1.5%	\$76.4	1.5%	9.1%	9.1%
\$40,000 to \$50,000.....	\$1	(5)	\$111.4	2.2%	\$111.4	2.2%	12.0%	12.0%
\$50,000 to \$75,000.....	\$2,641	0.7%	\$376.9	7.5%	\$379.5	7.4%	14.5%	14.6%
\$75,000 to \$100,000.....	\$3,609	0.9%	\$399.7	8.0%	\$403.3	7.8%	17.2%	17.4%
\$100,000 to \$200,000.....	\$13,246	1.0%	\$1,346.1	26.9%	\$1,359.3	26.5%	20.5%	20.7%
\$200,000 to \$500,000.....	\$18,608	1.5%	\$1,225.0	24.5%	\$1,243.6	24.2%	26.2%	26.6%
\$500,000 to \$1,000,000..	\$9,386	2.1%	\$441.7	8.8%	\$451.0	8.8%	30.7%	31.8%
\$1,000,000 and over.....	\$96,507	9.8%	\$980.6	19.6%	\$1,077.2	21.0%	31.8%	37.7%
Total, All Taxpayers.....	\$133,039	2.7%	\$5,005.5	100.0%	\$5,138.5	100.0%	21.2%	22.0%

Source: Joint Committee on Taxation

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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), excise taxes (attributed to consumers), and corporate income taxes. The estimates of Federal taxes are preliminary and subject to change. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis. Does not include indirect effects.

(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%

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Calendar Year 2031

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.....	-\$4,318	-183.0%	\$2.4	(6)	-\$2.0	(6)	3.2%	-2.7%
\$10,000 to \$20,000.....	-\$6,468	(5)	-\$1.3	(6)	-\$7.8	-0.1%	-0.4%	-2.4%
\$20,000 to \$30,000.....	-\$522	-1.4%	\$38.3	0.7%	\$37.8	0.7%	5.7%	5.6%
\$30,000 to \$40,000.....	-\$260	-0.4%	\$72.0	1.3%	\$71.8	1.3%	8.6%	8.6%
\$40,000 to \$50,000.....	-\$120	-0.1%	\$99.1	1.8%	\$99.0	1.8%	11.1%	11.1%
\$50,000 to \$75,000.....	\$2,397	0.7%	\$366.2	6.8%	\$368.6	6.7%	14.0%	14.1%
\$75,000 to \$100,000.....	\$3,148	0.8%	\$413.7	7.7%	\$416.8	7.6%	16.7%	16.8%
\$100,000 to \$200,000.....	\$11,075	0.8%	\$1,409.8	26.2%	\$1,420.9	25.8%	19.9%	20.1%
\$200,000 to \$500,000.....	\$15,835	1.1%	\$1,399.2	26.0%	\$1,415.0	25.7%	25.5%	25.9%
\$500,000 to \$1,000,000..	\$8,421	1.6%	\$514.1	9.6%	\$522.5	9.5%	30.5%	31.4%
\$1,000,000 and over.....	\$97,568	9.2%	\$1,058.4	19.7%	\$1,156.0	21.0%	31.7%	37.2%
Total, All Taxpayers.....	\$126,756	2.4%	\$5,371.9	100.0%	\$5,498.7	100.0%	21.1%	21.8%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals contained in JCX-35-21 and revenue table JCX-42-21, except the following:

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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) For returns in the \$10,000 to \$20,000 income category, Federal taxes would decrease from -\$1.299 billion to -\$7.768 billion.

(6) Less than 0.05%