

JOINT COMMITTEE ON TAXATION
February 26, 2014
JCX-21-14

DISTRIBUTIONAL EFFECTS OF THE "TAX REFORM ACT OF 2014" (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.....	\$102	1.5%	\$6.8	0.2%	\$6.9	0.2%	8.2%	8.3%
\$10,000 to \$20,000.....	\$62	1.3%	\$4.8	0.2%	\$4.9	0.2%	1.5%	1.5%
\$20,000 to \$30,000.....	-\$1,602	-5.1%	\$31.6	1.1%	\$30.0	1.1%	5.7%	5.4%
\$30,000 to \$40,000.....	-\$2,519	-4.6%	\$54.9	1.9%	\$52.4	1.9%	9.3%	8.9%
\$40,000 to \$50,000.....	-\$7,842	-8.8%	\$88.8	3.1%	\$80.9	2.9%	12.7%	11.6%
\$50,000 to \$75,000.....	-\$7,950	-3.2%	\$247.8	8.7%	\$239.8	8.5%	15.2%	14.7%
\$75,000 to \$100,000.....	-\$15,991	-5.6%	\$283.1	10.0%	\$267.1	9.5%	17.8%	16.8%
\$100,000 to \$200,000.....	-\$2,504	-0.3%	\$820.8	28.9%	\$818.3	29.2%	22.1%	22.0%
\$200,000 to \$500,000.....	\$1,149	0.2%	\$553.8	19.5%	\$555.0	19.8%	27.1%	27.2%
\$500,000 to \$1,000,000..	\$2,505	1.3%	\$194.4	6.9%	\$196.9	7.0%	30.9%	31.1%
\$1,000,000 and over.....	\$3,462	0.6%	\$550.2	19.4%	\$553.6	19.7%	33.0%	32.9%
Total, All Taxpayers.....	-\$31,126	-1.1%	\$2,836.9	100.0%	\$2,805.8	100.0%	21.0%	20.7%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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- (1) This distributional analysis includes the following provisions from revenue table JCX-20-14: (i) I. Tax Reform for Individual sections A, B, C.1., C4., D.1., D.2, E.1-E.7., E.9.-E.10., E.12.-E.13., E.15.-E.16., G.2, G.8., G.15.-G.16., G18.-G19.; (ii) II. Alternative Minimum Tax Repeal; (iii) III. Business Tax Reform; (iv) IV. Taxation of Foreign Income; (v) V. Tax Exempt Entities sections A.2.-A.8., C.3., D.1.; and (vi) VII. Excise Taxes sections 1., 2., 4.
- (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, [8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2013 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).

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February 26, 2014
JCX-21-14

DISTRIBUTIONAL EFFECTS OF THE "TAX REFORM ACT OF 2014" (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.....	-\$4	-0.1%	\$5.5	0.2%	\$5.5	0.2%	5.9%	5.9%
\$10,000 to \$20,000.....	-\$103	-4.1%	\$2.5	0.1%	\$2.4	0.1%	0.7%	0.7%
\$20,000 to \$30,000.....	-\$1,217	-4.2%	\$29.3	0.9%	\$28.1	0.9%	4.9%	4.7%
\$30,000 to \$40,000.....	-\$2,233	-4.1%	\$54.5	1.7%	\$52.2	1.6%	8.5%	8.1%
\$40,000 to \$50,000.....	-\$9,133	-9.5%	\$96.6	3.0%	\$87.5	2.7%	12.2%	11.0%
\$50,000 to \$75,000.....	-\$6,925	-2.5%	\$280.3	8.6%	\$273.4	8.5%	15.2%	14.8%
\$75,000 to \$100,000.....	-\$17,641	-5.4%	\$326.1	10.1%	\$308.4	9.6%	18.1%	17.1%
\$100,000 to \$200,000.....	\$3,332	0.4%	\$936.7	28.9%	\$940.0	29.2%	22.5%	22.6%
\$200,000 to \$500,000.....	\$2,565	0.4%	\$639.1	19.7%	\$641.7	19.9%	27.6%	27.7%
\$500,000 to \$1,000,000..	\$3,861	1.7%	\$225.6	7.0%	\$229.4	7.1%	31.0%	31.6%
\$1,000,000 and over.....	\$3,083	0.5%	\$645.1	19.9%	\$648.2	20.1%	33.5%	33.5%
Total, All Taxpayers.....	-\$24,415	-0.8%	\$3,241.2	100.0%	\$3,216.7	100.0%	21.2%	21.0%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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- (1) This distributional analysis includes the following provisions from revenue table JCX-20-14: (i) I. Tax Reform for Individual sections A, B, C.1., C4., D.1., D.2, E.1-E.7., E.9.-E.10., E.12.-E.13., E.15.-E.16., G.2, G.8., G.15.-G.16., G18.-G19.; (ii) II. Alternative Minimum Tax Repeal; (iii) III. Business Tax Reform; (iv) IV. Taxation of Foreign Income; (v) V. Tax Exempt Entities sections A.2.-A.8., C.3., D.1.; and (vi) VII. Excise Taxes sections 1., 2., 4.
- (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, [8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2013 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).

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DISTRIBUTIONAL EFFECTS OF THE "TAX REFORM ACT OF 2014" (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)	
	Millions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$10,000.....	-\$404	-5.7%	\$7.1	0.2%	\$6.7	0.2%	7.1%	6.6%
\$10,000 to \$20,000.....	-\$1,270	-17.4%	\$7.3	0.2%	\$6.0	0.2%	1.9%	1.6%
\$20,000 to \$30,000.....	-\$1,982	-5.9%	\$33.7	0.9%	\$31.7	0.9%	5.2%	4.9%
\$30,000 to \$40,000.....	-\$3,709	-6.3%	\$58.5	1.6%	\$54.8	1.5%	8.4%	7.9%
\$40,000 to \$50,000.....	-\$12,653	-11.6%	\$108.9	3.0%	\$96.3	2.7%	12.4%	10.9%
\$50,000 to \$75,000.....	-\$11,558	-3.7%	\$314.2	8.8%	\$302.7	8.5%	15.2%	14.7%
\$75,000 to \$100,000.....	-\$23,064	-6.4%	\$360.5	10.0%	\$337.4	9.5%	18.0%	16.9%
\$100,000 to \$200,000.....	-\$1,614	-0.2%	\$1,040.5	29.0%	\$1,038.9	29.3%	22.5%	22.5%
\$200,000 to \$500,000.....	\$182	0.0%	\$703.1	19.6%	\$703.3	19.9%	27.6%	27.5%
\$500,000 to \$1,000,000..	\$6,771	2.8%	\$243.8	6.8%	\$250.6	7.1%	30.9%	31.4%
\$1,000,000 and over.....	\$3,043	0.4%	\$709.6	19.8%	\$712.7	20.1%	33.4%	33.2%
Total, All Taxpayers.....	-\$46,258	-1.3%	\$3,587.3	100.0%	\$3,541.1	100.0%	21.3%	20.9%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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- (1) This distributional analysis includes the following provisions from revenue table JCX-20-14: (i) I. Tax Reform for Individual sections A, B, C.1., C4., D.1., D.2, E.1-E.7., E.9.-E.10., E.12.-E.13., E.15.-E.16., G.2, G.8., G.15.-G.16., G18.-G19.; (ii) II. Alternative Minimum Tax Repeal; (iii) III. Business Tax Reform; (iv) IV. Taxation of Foreign Income; (v) V. Tax Exempt Entities sections A.2.-A.8., C.3., D.1.; and (vi) VII. Excise Taxes sections 1., 2., 4.
- (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, [8] individual share of business taxes, and [9] excluded income of U.S. citizens living abroad. Categories are measured at 2013 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.
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DISTRIBUTIONAL EFFECTS OF THE "TAX REFORM ACT OF 2014" (1)

Calendar Year 2021

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.....	-\$339	-5.5%	\$6.2	0.2%	\$5.9	0.2%	5.7%	5.4%
\$10,000 to \$20,000.....	-\$1,247	-28.1%	\$4.4	0.1%	\$3.2	0.1%	1.1%	0.8%
\$20,000 to \$30,000.....	-\$1,744	-5.6%	\$31.3	0.8%	\$29.6	0.8%	4.6%	4.3%
\$30,000 to \$40,000.....	-\$4,239	-7.2%	\$59.1	1.5%	\$54.8	1.4%	8.0%	7.4%
\$40,000 to \$50,000.....	-\$13,640	-11.4%	\$119.5	3.0%	\$105.9	2.7%	12.2%	10.8%
\$50,000 to \$75,000.....	-\$11,271	-3.3%	\$345.0	8.7%	\$333.7	8.5%	15.1%	14.6%
\$75,000 to \$100,000.....	-\$23,841	-6.1%	\$393.7	10.0%	\$369.8	9.5%	17.8%	16.7%
\$100,000 to \$200,000.....	\$3,446	0.3%	\$1,145.2	29.0%	\$1,148.7	29.4%	22.4%	22.5%
\$200,000 to \$500,000.....	\$2,823	0.4%	\$789.9	20.0%	\$792.7	20.3%	27.7%	27.8%
\$500,000 to \$1,000,000..	\$8,800	3.3%	\$267.8	6.8%	\$276.6	7.1%	30.8%	31.5%
\$1,000,000 and over.....	\$4,552	0.6%	\$782.8	19.8%	\$787.3	20.1%	33.4%	33.3%
Total, All Taxpayers.....	-\$36,698	-0.9%	\$3,944.9	100.0%	\$3,908.2	100.0%	21.2%	21.0%

Source: Joint Committee on Taxation
Detail may not add to total due to rounding.

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- (1) This distributional analysis includes the following provisions from revenue table JCX-20-14: (i) I. Tax Reform for Individual sections A, B, C.1., C4., D.1., D.2, E.1-E.7., E.9.-E.10., E.12.-E.13., E.15.-E.16., G.2, G.8., G.15.-G.16., G18.-G19.; (ii) II. Alternative Minimum Tax Repeal; (iii) III. Business Tax Reform; (iv) IV. Taxation of Foreign Income; (v) V. Tax Exempt Entities sections A.2.-A.8., C.3., D.1.; and (vi) VII. Excise Taxes sections 1., 2., 4.
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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.
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DISTRIBUTIONAL EFFECTS OF THE "TAX REFORM ACT OF 2014" (1)

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.....	-\$402	-7.6%	\$5.3	0.1%	\$4.9	0.1%	4.6%	4.3%
\$10,000 to \$20,000.....	-\$836	-49.9%	\$1.7	0.0%	\$0.8	0.0%	0.4%	0.2%
\$20,000 to \$30,000.....	-\$1,766	-5.8%	\$30.4	0.7%	\$28.7	0.7%	4.2%	3.9%
\$30,000 to \$40,000.....	-\$5,222	-8.4%	\$62.2	1.4%	\$56.9	1.3%	7.9%	7.2%
\$40,000 to \$50,000.....	-\$15,036	-11.2%	\$133.7	3.1%	\$118.7	2.8%	12.3%	10.9%
\$50,000 to \$75,000.....	-\$13,237	-3.5%	\$380.5	8.8%	\$367.3	8.6%	15.0%	14.5%
\$75,000 to \$100,000.....	-\$26,767	-6.1%	\$436.3	10.1%	\$409.6	9.6%	17.5%	16.4%
\$100,000 to \$200,000.....	\$374	0.0%	\$1,270.4	29.3%	\$1,270.7	29.8%	22.2%	22.2%
\$200,000 to \$500,000.....	-\$1,724	-0.2%	\$870.6	20.1%	\$868.9	20.4%	27.7%	27.6%
\$500,000 to \$1,000,000..	\$6,911	2.4%	\$288.6	6.7%	\$295.5	6.9%	30.7%	31.2%
\$1,000,000 and over.....	-\$4,143	-0.5%	\$850.5	19.6%	\$846.4	19.8%	33.4%	33.0%
Total, All Taxpayers.....	-\$61,845	-1.4%	\$4,330.2	100.0%	\$4,268.3	100.0%	21.1%	20.8%

Source: Joint Committee on Taxation
Detail may not add to total due to rounding.

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- (1) This distributional analysis includes the following provisions from revenue table JCX-20-14: (i) I. Tax Reform for Individual sections A, B, C.1., C4., D.1., D.2, E.1-E.7., E.9.-E.10., E.12.-E.13., E.15.-E.16., G.2, G.8., G.15.-G.16., G18.-G19.; (ii) II. Alternative Minimum Tax Repeal; (iii) III. Business Tax Reform; (iv) IV. Taxation of Foreign Income; (v) V. Tax Exempt Entities sections A.2.-A.8., C.3., D.1.; and (vi) VII. Excise Taxes sections 1., 2., 4.
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