

**DISTRIBUTION EFFECTS OF THE CHAIRMAN'S MODIFICATION TO
THE CHAIRMAN'S MARK OF THE "TAX CUTS AND JOBS ACT,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON NOVEMBER 15, 2017 (1)
EXCLUDING THE ACA INDIVIDUAL SHARED RESPONSIBILITY AMOUNT SET TO ZERO**

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 Percent	Proposal Percent
Less than \$10,000.....	-\$96	-1.5%	\$6.4	0.2%	\$6.3	0.2%	7.0%	6.9%
\$10,000 to \$20,000.....	-\$785	(5)	-\$5.0	-0.1%	-\$5.8	-0.2%	-1.3%	-1.5%
\$20,000 to \$30,000.....	-\$2,352	-9.5%	\$24.7	0.7%	\$22.3	0.6%	3.7%	3.4%
\$30,000 to \$40,000.....	-\$3,780	-7.4%	\$51.0	1.4%	\$47.2	1.3%	7.6%	7.1%
\$40,000 to \$50,000.....	-\$5,826	-7.2%	\$80.9	2.1%	\$75.0	2.1%	10.8%	10.1%
\$50,000 to \$75,000.....	-\$19,801	-6.5%	\$305.2	8.1%	\$285.4	8.0%	14.6%	13.6%
\$75,000 to \$100,000.....	-\$18,217	-5.6%	\$325.9	8.6%	\$307.7	8.6%	16.6%	15.7%
\$100,000 to \$200,000.....	-\$51,573	-4.7%	\$1,103.4	29.3%	\$1,051.8	29.3%	20.8%	19.8%
\$200,000 to \$500,000.....	-\$49,350	-5.7%	\$863.6	22.9%	\$814.2	22.7%	26.5%	24.9%
\$500,000 to \$1,000,000.....	-\$18,520	-6.2%	\$297.6	7.9%	\$279.0	7.8%	30.8%	28.8%
\$1,000,000 and over.....	-\$12,744	-1.8%	\$717.5	19.0%	\$704.8	19.6%	32.2%	31.5%
Total, All Taxpayers.....	-\$183,011	-4.9%	\$3,771.1	100.0%	\$3,588.1	100.0%	20.5%	19.5%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

- (1) This table is a distributional analysis of the proposal in revenue table JCX-57-17, excluding the following sections: I. Tax Reform for Individuals: D.4.-D.6., E., g., H.1.-H.14. Under section G., the distribution analysis does not include the effect on the cost-sharing reductions
- (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 2017 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 -\$5.044 billion to -\$5.829 billion.

*JCT confirms:
Massive tax cuts
for lower &
middle income
families.*