

Extend Higher TCJA Estate and Gift Tax Exemption Amount Relative to TCJA Expired¹
(Evaluated at 2025 Population and Income Levels)

Adjusted Family Cash Income Decile ²	Number of Families (millions)	Distribution of Cash Income (%)	Distribution of Federal Taxes ³		Average Federal Tax Rate		Tax Change				Change in After-Tax Income (%)	
			TCJA Expired (%)	Extension of TCJA Estate and Gift Tax Changes (%)	TCJA Expired (%)	Extension of TCJA Estate and Gift Tax Changes (%)	Amount (\$B)	Average (\$)	Percent Distribution (%)	As a % of TCJA Expired Tax ⁴ (%)		
0 to 10 ⁵	17.9	0.5	0.0	0.0	0.1	0.0	0.0	0	0.0	0.0	0.0	0.0
10 to 20	18.9	2.0	-0.3	-0.3	-3.6	-4.6	0.0	0	0.0	0.0	0.0	0.0
20 to 30	18.9	2.9	0.5	0.5	4.1	2.9	0.0	0	0.0	0.0	0.0	0.0
30 to 40	18.9	3.9	1.6	1.6	8.8	7.8	0.0	0	0.0	0.0	0.0	0.0
40 to 50	18.9	5.0	2.6	2.6	11.3	10.4	0.0	0	0.0	0.0	0.0	0.0
50 to 60	18.9	6.5	3.9	3.9	13.3	12.3	0.0	0	0.0	0.0	0.0	0.0
60 to 70	18.9	8.4	6.1	6.1	16.0	14.7	0.0	0	0.0	0.0	0.0	0.0
70 to 80	18.9	10.9	9.3	9.3	18.7	17.3	-0.2	-11	1.2	0.0	0.0	0.0
80 to 90	18.9	15.2	14.9	15.0	21.6	20.2	0.0	-1	0.1	0.0	0.0	0.0
90 to 100	18.9	45.7	61.2	61.1	29.5	27.4	-16.4	-864	97.1	-0.5	0.0	0.2
Total ⁵	189.3	100.0	100.0	100.0	22.0	20.4	-16.8	-89	100.0	-0.4	0.0	0.1
90 to 95	9.5	11.1	12.3	12.4	24.6	23.0	-0.1	-15	0.9	0.0	0.0	0.0
95 to 99	7.6	14.9	18.2	18.3	26.8	24.7	-0.8	-112	5.0	-0.1	0.0	0.0
99 to 99.9	1.7	9.9	14.6	14.6	32.4	30.1	-3.9	-2,317	23.4	-0.5	0.0	0.3
Top .1	0.2	9.8	16.0	15.9	36.1	33.9	-11.4	-60,337	67.8	-1.4	0.0	0.8

Department of the Treasury
Office of Tax Analysis

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¹ Under TCJA expired and Partial Extension of Expiring Individual and Estate Provisions of TCJA, the estate tax exemption amount for 2026 would be about \$7 million. Under Extend Expiring Individual and Estate Provisions of TCJA, the estate tax exemption amount for 2026 would be about \$14 million.

² Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, unrealized gains at death, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.

³ The taxes included are individual and corporate income, payroll (Social Security, Medicare and unemployment), excises, customs duties, and estate and gift taxes. The individual income tax is assumed to be borne by payers, payroll taxes (employer and employee shares) by labor (wages and self-employment income), excises on purchases by individuals in proportion to relative consumption of the taxed good and proportionately by labor and capital income and excises on purchases by businesses and customs duties proportionately by labor and capital income, and the estate and gift taxes by decedents. The share of the corporate income tax that represents cash flow is assumed to have no burden in the long run; the share of the corporate income tax that represents a tax on supernormal returns is assumed to be borne by supernormal corporate capital income as held by shareholders; and the remainder of the corporate income tax, the normal return, is assumed to be borne equally by labor and positive normal capital income.

⁴ Tax cuts are shown as negative numbers and tax increases are shown as positive numbers in this column. The tax change is calculated relative to the absolute value of current law taxes. Low income families may have negative current law taxes as a result of refundable credits.

⁵ Families with negative incomes are excluded from the lowest income decile but included in the total line.

Note: Percentiles begin for an average family (2 people) at family size-adjusted cash income of: \$16,758 for 10 to 20; \$31,462 for 20 to 30; \$44,613 for 30 to 40; \$59,312 for 40 to 50; \$76,567 for 50 to 60; \$96,782 for 60 to 70; \$121,919 for 70 to 80; \$157,722 for 80 to 90; \$228,060 for 90 to 95; \$320,855 for 95 to 99; \$743,247 for 99 to 99.9 and \$3,515,685 for Top .1.