Office of Tax Analysis
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The Cost and Distribution of Extending Expiring Provisions of the Tax Cuts and Jobs Act of 2017

The Cost and Distribution of Extending Expiring Provisions of the TCJA

The 2017 Tax Cuts and Jobs Act (TCJA) (Pub.L. 115-97) enacted largely permanent corporate tax cuts and largely temporary individual and estate tax cuts. The individual and estate tax cuts are generally scheduled to expire at the end of 2025. This note compares two illustrative scenarios for addressing these TCJA sunsets.

Scenario A: Full Extension of the TCJA

Extending the expiring individual and estate tax provisions of the TCJA would cost $4.2 trillion between 2026 and 2035 (Table 1). Evaluated as if the extension occurred in 2025, this scenario would cut taxes by an average of 2.2 percent of after-tax income for all families (Table 2).[1] However, the largest tax cuts would go to the highest-income families. The tax cut as a percent of after-tax income would be smaller than the average in every decile except the highest. Families between the 95th and 99th percentiles would receive a tax cut of 3.0 percent of after-tax income, families in the top 1 percent but not the top 0.1 percent would receive a tax cut of 3.6 percent of after-tax income, and families in the top 0.1 percent would receive a tax cut of 4.2 percent of after-tax income.

Extending one business tax cut that is currently phasing out and reversing several business tax increases enacted as part of the TCJA – as some have called for – would cost an additional $1.3 trillion, increasing the total to $5.5 trillion.[2]

Scenario B: Partial Extension Reversing Tax Cuts Above $400,000

Reversing TCJA tax cuts for those with incomes above $400,000 and allowing the business and estate tax cuts to expire as scheduled under current law would reduce the cost of extending expiring TCJA provisions to $1.8 trillion, or less than half the cost of extending all of the individual and estate tax cuts and about a third of the total cost including business provisions.

These estimates reflect extension of the TCJA's revenue-raising provisions for all households; extension of the TCJA's marginal rate cuts, AMT exemption increase, elimination of the itemized deduction phaseout ("Pease"), and passthrough deduction only for those below $400,000 (with gradual phaseouts of these tax benefits above $400,000); and a recapture of the tax benefits of lower-bracket rate cuts that would be phased in for households above $400,000. These policies are described in more detail in the appendix.

[1] The Treasury distribution model produces estimates for the budget year (currently 2025). Thus, the distribution tables included in this note should be interpreted as the change in tax in 2025 if the TCJA were scheduled to expire in 2025 and were instead extended as described in the text. Optionally, back-of-the-envelope estimates for 2026 can be obtained for per-tax-family dollar averages by increasing the estimates by about 2 percent and for aggregate dollar values by increasing the estimates by about 4 percent. These adjustments do not affect the qualitative nature of the results. Tax rates, shares, and the percent change in after-tax income can be used as is (i.e. no adjustment is needed.)

[2] See Table 1 for a complete list of the business tax changes included in this estimate.

This partial extension scenario would cut taxes by an average of 1.0 percent of after-tax income for all families (Table 3). Families between the 40th and 50th income percentiles would get an average tax cut of $524. Families between the 80th and 90th income percentiles would get an average tax cut of $2,606. The average tax cut would range between 1.0 and 2.0 percent of after-tax income for all income deciles between the 10th and 90th percentiles. This scenario would increase taxes by about 1.5 percent of after-tax income for families in the top 1 percent primarily because it would extend provisions of the TCJA that increase taxes while sunsetting provisions that decrease taxes. Because tax benefits are phased out gradually above $400,000, the mean marginal federal income tax rate for tax families with adjusted gross income between $400,000 and $500,000 under this partial extension scenario would be 35.5%.

Comparison of Scenario A and Scenario B

Extending the individual and estate tax cuts for those at all income levels, as under Scenario A, would cost an additional $2.4 trillion over the decade compared to Scenario B's approach to reversing tax cuts for higher-income households. The additional tax cuts would go exclusively to high-income and high-wealth families; all other families would receive identical tax cuts under both scenarios.

Families in the top 0.1 percent, those with cash income of at least $3.5 million for a family of two, account for 40 percent of the total cost of full extension relative to partial extension and would get a tax cut of $416,000 from full compared to partial extension, amounting to more than 5 percent of after-tax income (Table 4). Families in the top 1 percent but not the top 0.1 percent, those with cash income of at least $743,000 for a family of two, account for an additional 41 percent of the additional cost of full extension and would get a tax cut of more than $47,000, also more than 5 percent of after-tax income.

Appendix: Policies Underlying Scenario B

Increase the top rate to 39.6% at $400k/$450k/$425k/$225k. The TCJA reduced the top individual tax rate from 39.6% to 37% and increased the point at which the top bracket begins to taxable income of $626,350 for single taxpayers, $751,600 for joint taxpayers, $626,350 for head of household taxpayers, and $375,800 for married taxpayers filing separate returns. (All amounts reported at their tax year 2025 levels.) This scenario would restore, effective in tax year 2026, the 39.6% tax rate beginning at taxable income of $400,000 for single taxpayers, $450,000 for joint taxpayers, $425,000 for head of household taxpayers, and $225,000 for married taxpayers filing separate returns.[3]

Recapture rate and bracket change benefits at $400k/$450k at a 5%/10% rate. The TCJA's changes to income tax rates and brackets below $400,000 gave tax cuts to taxpayers with incomes above $400,000. A single taxpayer with an income of $400,000 would receive a tax cut of roughly $1,500 in 2026, and a married couple with an income of $450,000 would receive a tax cut of roughly $19,000. This scenario would recapture this benefit using a 5% rate for single

[3] All thresholds used in the policies underlying scenario B are indexed for inflation.

taxpayers beginning at $400,000 of taxable income and a 10% rate for married taxpayers beginning at $450,000 of taxable income. The recapture would be complete at $431,000 for single taxpayers and $642,000 for married taxpayers. There is no corresponding tax cut for head of household filers and so no recapture rate would apply to head of household filers.[4]

Phase out the AMT exemption at a 50% rate at $400k/$400k/$400k/$200k. The TCJA increased the AMT exemption amount and the level at which the AMT exemption begins to phase out. This scenario would increase the AMT exemption phase-out rate from 25% to 50% and reduce the threshold at which the exemption begins to phase out to $400,000 of alternative minimum taxable income.

Phase out the pass-through deduction at $400k/$400k/$400k/$200k over $100k. The TCJA created a 20-percent deduction for income from certain pass-through businesses (section 199A deduction). This scenario would phase out this deduction proportionately over $100,000 for taxpayers with taxable income (before any 199A deduction) above $400,000.

Restore the itemized deduction phase-out ("Pease") above $400k/$450k/$425k/$225k. The TCJA eliminated a reduction in the value of itemized deductions for high-income taxpayers known as Pease. Specifically, before enactment of the TCJA, high-income taxpayers were required to reduce the value of their itemized deductions by 3% of the amount by which their adjusted gross income exceeded certain thresholds. The phase out did not apply to medical deductions, investment interest expense deductions, and deductions for casualty and theft losses, and the phase out could not reduce the value of other itemized deductions by more than 80%. This scenario would restore this phase out for single taxpayers with adjusted gross incomes above $400,000, married taxpayers above $450,000, and head of household taxpayers above $425,000.

Allow the TCJA estate tax cuts to expire. The TCJA roughly doubled the estate tax exemption amount from about $7 million per taxpayer in 2026 to about $14 million per taxpayer in 2026. This scenario would allow this increase to expire.[5]

[4] Consistent with the general treatment of married taxpayers filing separate returns, the benefits of rate and bracket changes for these taxpayers are recaptured using the 10% rate and thresholds set equal to half the joint filer thresholds.

[5] Restoring 2009 estate tax law, under which there was a $3.5 million exemption and a 45% rate, would raise an additional $540 billion over ten years.

Table 1: Revenue Estimates for Extending Select Provisions of the Tax Cuts and Jobs Act

	Fiscal Years, Billions of Dollars										
Provision	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2026-2035**
Scenario A: Extend expiring individual and estate provisions of the TCJA	**-206**	**-357**	**-390**	**-406**	**-420**	**-437**	**-456**	**-473**	**-494**	**-515**	**-4,154**
Bridge from Scenario A to Scenario B											
Increase top rate to 39.6% at 400/450/425/225	42	63	73	77	81	85	89	94	100	105	810
Recapture rate/bracket change benefits at 400/450 at 5%/10% rate (n/a for HOH)	20	29	36	38	40	42	44	46	48	50	390
Phase out AMT exemption at 50% rate at 400/400/400/200	3	7	7	7	7	8	8	9	9	9	73
Phase out pass-through deduction at 400/400/400/200 over $100k	33	51	63	68	70	72	74	77	81	85	673
Restore itemized deduction phase out above 400/450/425/225	12	17	18	19	20	21	22	23	25	26	203
Allow TCJA estate tax cuts to expire	2	20	21	21	23	24	26	27	29	30	223
Scenario B: Partial Extension of TCJA Provisions, Reversing Tax Cuts for families with incomes above $400,000	**-95**	**-170**	**-173**	**-176**	**-180**	**-186**	**-193**	**-197**	**-203**	**-209**	**-1,781**
Memo:											
Restore and make permanent 100% bonus depreciation	-217	-90	-78	-62	-54	-49	-47	-46	-46	-46	-735
Restore full deductibility for domestic R&E expenses	-137	-7	-5	-5	-5	-5	-5	-5	-5	-5	-184
Extend use of EBITDA to calculate adjusted taxable income under Sec 163(j) for tax years 2024 and later, election for 2022 and 2023	-66	-12	-11	-12	-12	-13	-13	-13	-14	-14	-179
Repeal scheduled BEAT rate increase	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-17
Repeal scheduled decrease FDII and GILTI deduction percentages	-12	-19	-19	-19	-20	-20	-21	-21	-22	-23	-195
Sub-total, business provisions	-432	-129	-115	-100	-92	-89	-87	-88	-88	-90	-1,310

Notes: Estimates assume provisions are enacted 10/1/2025. Opportunity Zone provisions are not included in the extension of expiring TCJA individual and estate provisions. Income thresholds for policy options are specified as single/married filing a joint return/head of household/married filing separate returns.

Table 2: Full Extension of Expiring Individual and Estate Provisions of TCJA Relative to TCJA Expired (Scenario A)[1]
(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 (%)	Full Extension of TCJA (%)	TCJA Expired (%)	Full Extension of TCJA (%)	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	-0.1	-6	0.0	-79.9	0.1
10 to 20	18.9	2.0	-0.3	-0.4	-3.6	-4.6	-4.6	-245	1.2	-29.0	1.0
20 to 30	18.9	2.9	0.5	0.4	4.1	2.9	-7.9	-420	2.1	-29.3	1.2
30 to 40	18.9	3.9	1.6	1.5	8.8	7.8	-8.1	-427	2.1	-10.5	1.0
40 to 50	18.9	5.0	2.6	2.6	11.3	10.4	-9.9	-524	2.6	-7.7	1.0
50 to 60	18.9	6.5	3.9	3.9	13.3	12.3	-14.9	-786	3.9	-7.6	1.2
60 to 70	18.9	8.4	6.1	6.1	16.0	14.7	-24.2	-1,277	6.3	-8.0	1.5
70 to 80	18.9	10.9	9.3	9.3	18.7	17.2	-35.0	-1,851	9.2	-7.6	1.7
80 to 90	18.9	15.2	14.9	15.1	21.6	20.2	-49.4	-2,608	12.9	-6.6	1.8
90 to 100	18.9	45.7	61.2	61.3	29.5	27.3	-227.5	-12,018	59.5	-7.5	3.1
Total[5]	189.3	100.0	100.0	100.0	22.0	20.3	-382.1	-2,018	100.0	-7.7	2.2
90 to 95	9.5	11.1	12.3	12.5	24.6	23.0	-39.9	-4,220	10.5	-6.5	2.1
95 to 99	7.6	14.9	18.2	18.1	26.8	24.7	-73.4	-9,689	19.2	-8.1	3.0
99 to 99.9	1.7	9.9	14.6	14.7	32.4	29.9	-54.7	-32,118	14.3	-7.5	3.6
Top .1	0.2	9.8	16.0	16.1	36.1	33.4	-59.5	-314,266	15.6	-7.5	4.2

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[1] Distribution estimates are static income and do not include intemporal shifting of income that would occur because of expiration or extension of the Tax Cuts and Jobs Act (TCJA).

[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.

Table 3: Partial Extension of Expiring Individual and Estate Provisions of TCJA (Scenario B) Relative to TCJA Expired[1]

(Evaluated at 2025 Population and Income Levels)

Adjusted Family Cash Income Decile[2]	Number of Families	Distribution of Cash Income	Distribution of Federal Taxes[3]		Average Federal Tax Rate		Tax Change				Change in After-Tax Income
	(millions)	(%)	TCJA Expired (%)	Partial Extension of TCJA (%)	TCJA Expired (%)	Partial Extension of TCJA (%)	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	-0.1	-6	0.1	-79.9	0.1
10 to 20	18.9	2.0	-0.3	-0.4	-3.6	-4.6	-4.6	-245	2.5	-29.0	1.0
20 to 30	18.9	2.9	0.5	0.4	4.1	2.9	-7.9	-419	4.3	-29.2	1.2
30 to 40	18.9	3.9	1.6	1.4	8.8	7.8	-8.1	-427	4.4	-10.5	1.0
40 to 50	18.9	5.0	2.6	2.5	11.3	10.4	-9.9	-524	5.4	-7.7	1.0
50 to 60	18.9	6.5	3.9	3.8	13.3	12.3	-14.9	-786	8.0	-7.6	1.2
60 to 70	18.9	8.4	6.1	5.8	16.0	14.7	-24.2	-1,277	13.1	-8.0	1.5
70 to 80	18.9	10.9	9.3	8.9	18.7	17.3	-34.8	-1,840	18.8	-7.5	1.7
80 to 90	18.9	15.2	14.9	14.5	21.6	20.2	-49.3	-2,606	26.6	-6.6	1.8
90 to 100	18.9	45.7	61.2	62.9	29.5	29.2	-31.1	-1,642	16.8	-1.0	0.4
Total[5]	189.3	100.0	100.0	100.0	22.0	21.2	-185.1	-978	100.0	-3.7	1.0
90 to 95	9.5	11.1	12.3	12.0	24.6	23.0	-39.6	-4,185	21.4	-6.5	2.1
95 to 99	7.6	14.9	18.2	18.2	26.8	25.7	-36.3	-4,794	19.6	-4.0	1.5
99 to 99.9	1.7	9.9	14.6	15.7	32.4	33.5	25.5	14,983	-13.8	3.5	-1.7
Top .1	0.2	9.8	16.0	17.0	36.1	37.0	19.3	101,983	-10.4	2.4	-1.4

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[1] The partial extension of expiring individual and estate provisions adds, relative to a full extension of the expiring individual and estate provisions: 1) Increase top rate to 39.6% at taxable income of $400k/$450k/$425k/$225k (single/married filing jointly/head of household/married filing separately [S/MFJ/HoH/MFS]); 2) Phase out over $100k of modified Adjusted Gross Income (AGI) the qualified business income deduction beginning at $400k/$400k/$400k/$200k (S/MFJ/HoH/MFS) of modified AGI; 3) Phase out at 50% rate the Alternative Minimum Tax (AMT) exemption amount beginning at AMT taxable income of $400k/$400k/$400k/$200k; 4) Recapture the benefits of the TCJA rate/bracket changes beginning at taxable income of $400k/$450k/$200k) (S/MFJ/MFS) using "bubble" rate of 5%/10% (no bubble for HoH); 5) Restore Pease limitation on itemized deductions beginning at $400k/$450k/$425k/$225k (S/MFJ/HoH/MFS) of AGI; and 6) Allow TCJA increase in the estate tax exemption amount to expire. Distribution estimates are static income and do not include intemporal shifting of income that would occur because of expiration or extension of TCJA.

[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.

Table 4: Full Extension of Expiring Individual and Estate Provisions of TCJA (Scenario A) Relative to Partial Extension of Expiring Individual and Estate Provision of TCJA (Scenario B)[1]

(Evaluated at 2025 Population and Income Levels)

Adjusted Family Cash Income Decile[2]	Number of Families	Distribution of Cash Income	Distribution of Federal Taxes[3]		Average Federal Tax Rate		Tax Change				Change in After-Tax Income
			Partial Extension of TCJA	Full Extension of TCJA	Partial Extension of TCJA	Full Extension of TCJA	Amount	Average	Percent Distribution	As a % of Partial Extension Tax[4]	
	(millions)	(%)	(%)	(%)	(%)	(%)	($B)	($)	(%)	(%)	(%)
	17.9	0.5	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0
10 to 20	18.9	2.0	-0.4	-0.4	-4.6	-4.6	0.0	0	0.0	0.0	0.0
20 to 30	18.9	2.9	0.4	0.4	2.9	2.9	0.0	0	0.0	0.0	0.0
30 to 40	18.9	3.9	1.4	1.5	7.8	7.8	0.0	0	0.0	0.0	0.0
40 to 50	18.9	5.0	2.5	2.6	10.4	10.4	0.0	0	0.0	0.0	0.0
50 to 60	18.9	6.5	3.8	3.9	12.3	12.3	0.0	0	0.0	0.0	0.0
60 to 70	18.9	8.4	5.8	6.1	14.7	14.7	0.0	0	0.0	0.0	0.0
70 to 80	18.9	10.9	8.9	9.3	17.3	17.2	-0.2	-11	0.1	0.0	0.0
80 to 90	18.9	15.2	14.5	15.1	20.2	20.2	0.0	-3	0.0	0.0	0.0
90 to 100	18.9	45.7	62.9	61.3	29.2	27.3	-196.4	-10,376	99.7	-6.5	2.7
	189.3	100.0	100.0	100.0	21.2	20.3	-197.0	-1,040	100.0	-4.1	1.1
90 to 95	9.5	11.1	12.0	12.5	23.0	23.0	-0.3	-35	0.2	-0.1	0.0
95 to 99	7.6	14.9	18.2	18.1	25.7	24.7	-37.1	-4,895	18.8	-4.3	1.5
99 to 99.9	1.7	9.9	15.7	14.7	33.5	29.9	-80.3	-47,101	40.7	-10.7	5.3
Top .1	0.2	9.8	17.0	16.1	37.0	33.4	-78.8	-416,249	40.0	-9.6	5.6

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[1] The partial extension of expiring individual and estate provisions adds, relative to a full extension of the expiring individual and estate provisions: 1) Increase top rate to 39.6% at taxable income of $400k/$450k/$425k/$225k (single/married filing jointly/head of household/married filing separately [S/MFJ/HoH/MFS]); 2) Phase out over $100k of modified Adjusted Gross Income (AGI) the qualified business income deduction beginning at $400k/$400k/$400k/$200k (S/MFJ/HoH/MFS) of modified AGI; 3) Phase out at 50% rate the Alternative Minimum Tax (AMT) exemption amount beginning at AMT taxable income of $400k/$400k/$400k/$200k; 4) Recapture the benefits of the TCJA rate/bracket changes beginning at taxable income of $400k/$450k/$200k) (S/MFJ/MFS) using “bubble” rate of 5%/10% (no bubble for HoH); 5) Restore Pease limitation on itemized deductions beginning at $400k/$450k/$425k/$225k (S/MFJ/HoH/MFS) of AGI; and 6) Allow TCJA increase in the estate tax exemption amount to expire. Distribution estimates are static income and do not include intemporal shifting of income that would occur because of expiration or extension of TCJA.

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[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.