

**DISTRIBUTIONAL EFFECTS OF A PROPOSAL TO PROVIDE
EXCHANGE PLAN CREDITS AND SUBSIDIES TO CERTAIN LOW-INCOME TAXPAYERS
AS INCLUDED IN H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS PASSED BY THE HOUSE
IN COMBINATION WITH H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE
CARE ACT (PPACA)," AS PASSED BY THE SENATE (1)
[Returns in Thousands; Dollars in Millions]**

Calendar Year 2019

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3)							
	All Returns		Single Filers		Joint Filers		Head of Household	
	Returns	Dollars	Returns	Dollars	Returns	Dollars	Returns	Dollars
Less than \$10,000.....	96	-\$575	80	-\$420	2	-\$13	13	-\$142
\$10,000 to \$20,000.....	1,028	-\$7,699	709	-\$4,503	62	-\$596	257	-\$2,600
\$20,000 to \$30,000.....	3,163	-\$23,750	1,378	-\$7,065	269	-\$4,210	1,516	-\$12,475
\$30,000 to \$40,000.....	3,283	-\$26,173	1,224	-\$4,912	539	-\$8,482	1,520	-\$12,779
\$40,000 to \$50,000.....	2,015	-\$19,981	498	-\$2,087	503	-\$7,661	1,014	-\$10,233
\$50,000 to \$75,000.....	2,266	-\$27,098	104	-\$402	1,115	-\$16,186	1,047	-\$10,510
\$75,000 to \$100,000.....	661	-\$7,617	1	-\$1	579	-\$6,962	81	-\$654
\$100,000 to \$200,000.....	112	-\$1,059	(4)	-\$2	111	-\$1,052	1	-\$5
\$200,000 to \$500,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$500,000 to \$1,000,000.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
\$1,000,000 and over.....	(4)	(5)	(4)	(5)	(4)	(5)	(4)	(5)
Total, All Taxpayers.....	12,623	-\$113,952	3,994	-\$19,392	3,180	-\$45,162	5,449	-\$49,398

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) The proposal would provide refundable tax credits would be provided to taxpayers who enroll in exchange plans with income between 100 percent and 400 percent of FPL. The proposal provides for outlays in the form of cost-sharing subsidies for out-of-pocket medical expenses for exchange participants between 100% and 250% of FPL. The analysis is a stand-alone estimate of the effects of the subsidies and credits and does not include interaction with other part of the broader package.

The analysis is relative to present law before the enactment of PPACA.

(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, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2009 levels.

(3) Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax is not included due to uncertainty concerning the incidence of the tax. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.

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

(5) Less than \$500,000.

(6) Less than 0.05%.