

**DISTRIBUTIONAL EFFECTS OF TITLE I - COMMITTEE ON FINANCE
OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO
H.R. 5376, THE "INFLATION REDUCTION ACT OF 2022"**

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.....	\$122	3.1%	\$3.9	0.1%	\$4.0	0.1%	7.3%	7.6%
\$10,000 to \$20,000.....	\$142	(5)	-\$1.3	(6)	-\$1.2	(6)	-0.5%	-0.5%
\$20,000 to \$30,000.....	\$238	1.1%	\$21.4	0.6%	\$21.6	0.6%	4.3%	4.3%
\$30,000 to \$40,000.....	\$397	0.8%	\$48.3	1.3%	\$48.7	1.3%	7.8%	7.9%
\$40,000 to \$50,000.....	\$541	0.8%	\$70.1	1.8%	\$70.7	1.8%	10.4%	10.5%
\$50,000 to \$75,000.....	\$1,908	0.8%	\$244.7	6.4%	\$246.6	6.4%	13.0%	13.1%
\$75,000 to \$100,000.....	\$2,491	0.9%	\$268.0	7.0%	\$270.5	7.0%	15.8%	16.0%
\$100,000 to \$200,000.....	\$10,883	1.1%	\$957.6	25.0%	\$968.4	25.0%	19.1%	19.4%
\$200,000 to \$500,000.....	\$14,110	1.5%	\$953.3	24.9%	\$967.4	24.9%	24.1%	24.4%
\$500,000 to \$1,000,000..	\$5,926	1.7%	\$352.0	9.2%	\$357.9	9.2%	28.5%	29.0%
\$1,000,000 and over.....	\$17,571	1.9%	\$908.3	23.7%	\$925.9	23.9%	30.2%	30.8%
Total, All Taxpayers.....	\$54,328	1.4%	\$3,826.3	100.0%	\$3,880.6	100.0%	20.3%	20.6%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals in revenue table 22-2027R4, except the following:

Subtitle B; Subtitle C; and Subtitle D: Part 3 items 1 and 2, and Part 4 item 1.

For an explanation of the distribution methodology used in this table, see JCX-15-12 and JCX-14-13.

- (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] workers' 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 2021 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 increase from -\$1.336 billion to -\$1.079 billion.
- (6) Less than 0.05%

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Calendar Year 2025

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.....	\$65	1.8%	\$3.6	0.1%	\$3.7	0.1%	6.5%	6.6%
\$10,000 to \$20,000.....	\$81	(5)	-\$2.0	(6)	-\$1.9	(6)	-0.8%	-0.7%
\$20,000 to \$30,000.....	\$132	0.6%	\$23.7	0.6%	\$23.8	0.6%	4.5%	4.5%
\$30,000 to \$40,000.....	\$181	0.4%	\$51.5	1.3%	\$51.6	1.3%	7.7%	7.8%
\$40,000 to \$50,000.....	\$220	0.3%	\$74.9	1.8%	\$75.2	1.8%	10.4%	10.4%
\$50,000 to \$75,000.....	\$705	0.3%	\$266.7	6.5%	\$267.4	6.5%	13.0%	13.1%
\$75,000 to \$100,000.....	\$834	0.3%	\$294.6	7.2%	\$295.4	7.2%	15.8%	15.9%
\$100,000 to \$200,000.....	\$3,340	0.3%	\$1,046.2	25.6%	\$1,049.6	25.5%	19.1%	19.2%
\$200,000 to \$500,000.....	\$3,908	0.4%	\$1,031.9	25.2%	\$1,035.9	25.2%	24.1%	24.2%
\$500,000 to \$1,000,000..	\$1,548	0.4%	\$379.4	9.3%	\$381.0	9.3%	28.7%	28.8%
\$1,000,000 and over.....	\$5,462	0.6%	\$924.0	22.6%	\$929.4	22.6%	30.5%	30.6%
Total, All Taxpayers.....	\$16,476	0.4%	\$4,094.5	100.0%	\$4,111.0	100.0%	20.2%	20.3%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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Subtitle B; Subtitle C; and Subtitle D: Part 3 items 1 and 2, and Part 4 item 1.

For an explanation of the distribution methodology used in this table, see JCX-15-12 and JCX-14-13.

- (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] workers' 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 2021 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 increase from -\$1.996 billion to -\$1.915 billion.
- (6) Less than 0.05%

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Calendar Year 2027

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.....	\$49	1.4%	\$3.5	0.1%	\$3.5	0.1%	5.8%	5.9%
\$10,000 to \$20,000.....	\$43	(5)	-\$0.2	(6)	-\$0.2	(6)	-0.1%	-0.1%
\$20,000 to \$30,000.....	\$90	0.3%	\$31.1	0.7%	\$31.2	0.7%	5.5%	5.5%
\$30,000 to \$40,000.....	\$115	0.2%	\$62.4	1.3%	\$62.6	1.3%	8.7%	8.7%
\$40,000 to \$50,000.....	\$133	0.2%	\$86.3	1.8%	\$86.4	1.8%	11.2%	11.3%
\$50,000 to \$75,000.....	\$405	0.1%	\$311.8	6.7%	\$312.2	6.7%	14.0%	14.1%
\$75,000 to \$100,000.....	\$425	0.1%	\$344.3	7.4%	\$344.8	7.4%	16.8%	16.9%
\$100,000 to \$200,000.....	\$1,535	0.1%	\$1,204.8	25.8%	\$1,206.3	25.8%	20.2%	20.2%
\$200,000 to \$500,000.....	\$1,497	0.1%	\$1,193.1	25.6%	\$1,194.6	25.6%	25.6%	25.6%
\$500,000 to \$1,000,000..	\$438	0.1%	\$442.2	9.5%	\$442.7	9.5%	30.7%	30.7%
\$1,000,000 and over.....	\$2,210	0.2%	\$985.4	21.1%	\$987.6	21.1%	32.0%	32.1%
Total, All Taxpayers.....	\$6,942	0.1%	\$4,664.7	100.0%	\$4,671.6	100.0%	21.4%	21.4%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

(1) This table is a distributional analysis of the proposals in revenue table 22-2027R4, except the following:

Subtitle B; Subtitle C; and Subtitle D: Part 3 items 1 and 2, and Part 4 item 1.

For an explanation of the distribution methodology used in this table, see JCX-15-12 and JCX-14-13.

- (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] workers' 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 2021 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 increase from -\$0.211 billion to -\$0.168 billion.
- (6) Less than 0.05%

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Calendar Year 2029

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.....	\$45	2.1%	\$2.1	(5)	\$2.2	(5)	2.7%	2.8%
\$10,000 to \$20,000.....	\$35	3.0%	\$1.2	(5)	\$1.2	(5)	0.3%	0.3%
\$20,000 to \$30,000.....	\$89	0.2%	\$44.3	0.9%	\$44.4	0.9%	6.2%	6.2%
\$30,000 to \$40,000.....	\$112	0.1%	\$76.6	1.5%	\$76.7	1.5%	9.1%	9.2%
\$40,000 to \$50,000.....	\$130	0.1%	\$111.4	2.2%	\$111.6	2.2%	12.0%	12.0%
\$50,000 to \$75,000.....	\$390	0.1%	\$376.9	7.5%	\$377.3	7.5%	14.5%	14.5%
\$75,000 to \$100,000.....	\$407	0.1%	\$399.7	8.0%	\$400.1	8.0%	17.2%	17.2%
\$100,000 to \$200,000.....	\$1,409	0.1%	\$1,346.1	26.9%	\$1,347.5	26.9%	20.5%	20.5%
\$200,000 to \$500,000.....	\$1,258	0.1%	\$1,225.0	24.5%	\$1,226.2	24.5%	26.2%	26.2%
\$500,000 to \$1,000,000..	\$301	0.1%	\$441.7	8.8%	\$442.0	8.8%	30.7%	30.7%
\$1,000,000 and over.....	\$1,783	0.2%	\$980.6	19.6%	\$982.4	19.6%	31.8%	31.9%
Total, All Taxpayers.....	\$5,958	0.1%	\$5,005.5	100.0%	\$5,011.5	100.0%	21.2%	21.2%

Source: Joint Committee on Taxation

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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.
- (4) The average tax rate is equal to Federal taxes described in footnote (3) divided by income described in footnote (2).
- (5) Less than 0.05%

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Calendar Year 2031

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.....	\$42	1.8%	\$2.4	(6)	\$2.4	(6)	3.2%	3.3%
\$10,000 to \$20,000.....	\$24	(5)	-\$1.3	(6)	-\$1.3	(6)	-0.4%	-0.4%
\$20,000 to \$30,000.....	\$85	0.2%	\$38.3	0.7%	\$38.4	0.7%	5.7%	5.7%
\$30,000 to \$40,000.....	\$107	0.1%	\$72.0	1.3%	\$72.1	1.3%	8.6%	8.6%
\$40,000 to \$50,000.....	\$127	0.1%	\$99.1	1.8%	\$99.3	1.8%	11.1%	11.1%
\$50,000 to \$75,000.....	\$376	0.1%	\$366.2	6.8%	\$366.6	6.8%	14.0%	14.0%
\$75,000 to \$100,000.....	\$386	0.1%	\$413.7	7.7%	\$414.1	7.7%	16.7%	16.7%
\$100,000 to \$200,000.....	\$1,268	0.1%	\$1,409.8	26.2%	\$1,411.1	26.2%	19.9%	19.9%
\$200,000 to \$500,000.....	\$1,010	0.1%	\$1,399.2	26.0%	\$1,400.2	26.0%	25.5%	25.6%
\$500,000 to \$1,000,000..	\$136	(6)	\$514.1	9.6%	\$514.2	9.6%	30.5%	30.5%
\$1,000,000 and over.....	\$1,368	0.1%	\$1,058.4	19.7%	\$1,059.8	19.7%	31.7%	31.7%
Total, All Taxpayers.....	\$4,929	0.1%	\$5,371.9	100.0%	\$5,376.9	100.0%	21.1%	21.1%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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Subtitle B; Subtitle C; and Subtitle D: Part 3 items 1 and 2, and Part 4 item 1.

For an explanation of the distribution methodology used in this table, see JCX-15-12 and JCX-14-13.

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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.
- (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 -\$1.299 billion to -\$1.276 billion.
- (6) Less than 0.05%

PROVISIONS FROM #22-2027R4 INCLUDED IN DISTRIBUTION TABLE #D-08-22

SUBTITLE A - DEFICIT REDUCTION

Part 1 - Corporate Tax Reform - Corporate alternative minimum tax

Part 2 - Closing the Carried Interest Loophole - Modification of rules for partnership interests held in connection with the performance of services

SUBTITLE D - ENERGY SECURITY

Part 1 - Clean Electricity and Reducing Carbon Emissions

1. Extension and modification of credit for electricity produced from certain renewable resources (sunset 12/31/24)
2. Extension and modification of energy credit (sunset 12/31/24)
3. Increase in energy credit for solar facilities placed in service in connection with low-income communities
4. Extension and modification of credit for carbon oxide sequestration (sunset 12/31/24)
5. Zero-emission nuclear power production credit

Part 2 - Clean Fuels

1. Extension of incentives for biodiesel, renewable diesel and alternative fuels (sunset 12/31/24)
2. Extension of second generation biofuel incentives (sunset 12/31/24)
3. Sustainable aviation fuel credit (sunset 12/31/24)
4. Credit for production of clean hydrogen (sunset 12/31/24)

Part 3 - Green Energy and Efficiency Incentives for Individuals

3. Energy efficient commercial buildings deduction
4. Extension, increase, and modifications of new energy efficient home credit (sunset 12/31/32)

Part 4 - Clean Vehicles

2. Credit for previously-owned qualified plug-in electric drive motor vehicles (sunset 12/31/32)
3. Qualified commercial electric vehicles (sunset 12/31/32)
4. Alternative fuel refueling property credit (sunset 12/31/32)

Part 5 - Investment in Clean Energy Manufacturing and Energy Security

1. Extension of the advanced energy project credit
2. Advanced manufacturing production credit (sunset 12/31/32)

Part 6 - Reinstatement of Superfund

Part 7 - Incentives for Clean Electricity and Clean Transportation

1. Clean electricity production credit
2. Clean electricity investment credit
4. Cost recovery for qualified facilities, qualified property, and energy storage technology
5. Clean fuel production credit (sunset 12/31/27)

Part 8 - Credit Monetization and Appropriations - Elective Payment for Energy Property and Electricity Produced from Certain Renewable Resources, etc., and Transfer of Credits

Part 9 - Other Provisions

1. Permanent extension of tax rate to fund Black Lung Disability Trust Fund
2. Increase in research credit against payroll tax for small businesses