

DISTRIBUTIONAL EFFECTS OF SELECTED PROVISIONS FROM SUBTITLE A, SUBTITLE C, AND SUBTITLE D 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)	Percentage of Returns				
	Tax Decrease		Tax Change Less than \$100	Tax Increase	
	Greater Than \$500	\$100-\$500		\$100-\$500	Greater Than \$500
Less than \$10,000.....	(4)	0.1%	86.6%	4.4%	8.8%
\$10,000 to \$20,000.....	0.2%	1.3%	74.0%	3.4%	21.0%
\$20,000 to \$30,000.....	2.1%	1.4%	78.4%	7.4%	10.7%
\$30,000 to \$40,000.....	3.4%	1.0%	67.3%	17.3%	11.0%
\$40,000 to \$50,000.....	3.2%	1.0%	37.2%	43.4%	15.1%
\$50,000 to \$75,000.....	2.6%	0.6%	19.0%	55.0%	22.8%
\$75,000 to \$100,000.....	1.7%	0.3%	8.7%	47.9%	41.3%
\$100,000 to \$200,000.....	0.4%	0.1%	2.8%	23.6%	73.1%
\$200,000 to \$500,000.....	0.1%	(4)	0.5%	1.9%	97.6%
\$500,000 to \$1,000,000.....	(4)	(4)	0.2%	0.2%	99.6%
\$1,000,000 and over.....	(4)	(4)	0.1%	0.2%	99.6%
Total, All Taxpayers.....	1.5%	0.6%	36.0%	25.2%	36.7%

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 A: Part 2 and Part 3; **Subtitle B:** and **Subtitle D:** Part 3 items 1 and 2, Part 4 items 1 and 2, and Part 6.

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) The categories reflecting the size of tax change are indexed for inflation.

(4) Less than 0.05%.

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Calendar Year 2025

INCOME CATEGORY (2)	Percentage of Returns				
	Tax Decrease		Tax Change Less than \$100	Tax Increase	
	Greater Than \$500	\$100-\$500		\$100-\$500	Greater Than \$500
Less than \$10,000.....	(4)	0.1%	86.0%	4.7%	9.2%
\$10,000 to \$20,000.....	0.2%	1.2%	72.3%	5.0%	21.2%
\$20,000 to \$30,000.....	2.2%	1.3%	50.7%	35.4%	10.4%
\$30,000 to \$40,000.....	3.2%	1.0%	31.5%	53.5%	10.7%
\$40,000 to \$50,000.....	3.0%	1.0%	23.1%	57.8%	15.1%
\$50,000 to \$75,000.....	2.4%	0.6%	17.6%	55.0%	24.4%
\$75,000 to \$100,000.....	1.6%	0.3%	8.4%	40.7%	49.0%
\$100,000 to \$200,000.....	0.3%	(4)	2.7%	9.5%	87.4%
\$200,000 to \$500,000.....	0.1%	(4)	0.5%	0.7%	98.7%
\$500,000 to \$1,000,000.....	(4)	(4)	0.2%	0.2%	99.6%
\$1,000,000 and over.....	(4)	(4)	0.1%	0.2%	99.6%
Total, All Taxpayers.....	1.4%	0.6%	27.6%	29.5%	40.9%

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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(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.

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Calendar Year 2027

INCOME CATEGORY (2)	Percentage of Returns				
	Tax Decrease		Tax Change Less than \$100	Tax Increase	
	Greater Than \$500	\$100-\$500		\$100-\$500	Greater Than \$500
Less than \$10,000.....	(4)	(4)	85.4%	4.9%	9.7%
\$10,000 to \$20,000.....	(4)	(4)	56.7%	21.8%	21.5%
\$20,000 to \$30,000.....	(4)	(4)	31.6%	58.0%	10.4%
\$30,000 to \$40,000.....	(4)	(4)	30.4%	58.6%	11.0%
\$40,000 to \$50,000.....	(4)	(4)	22.1%	61.8%	16.1%
\$50,000 to \$75,000.....	(4)	(4)	17.1%	53.4%	29.5%
\$75,000 to \$100,000.....	(4)	(4)	8.4%	20.6%	71.0%
\$100,000 to \$200,000.....	(4)	(4)	2.8%	4.8%	92.4%
\$200,000 to \$500,000.....	(4)	(4)	0.5%	0.7%	98.8%
\$500,000 to \$1,000,000.....	(4)	(4)	0.2%	0.2%	99.6%
\$1,000,000 and over.....	(4)	(4)	0.1%	0.1%	99.8%
Total, All Taxpayers.....	(4)	(4)	23.6%	30.7%	45.6%

Source: Joint Committee on Taxation

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(3) The categories reflecting the size of tax change are indexed for inflation.

(4) Less than 0.05%.

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Calendar Year 2029

INCOME CATEGORY (2)	Percentage of Returns				
	Tax Decrease		Tax Change Less than \$100	Tax Increase	
	Greater Than \$500	\$100-\$500		\$100-\$500	Greater Than \$500
Less than \$10,000.....	(4)	(4)	84.5%	5.1%	10.4%
\$10,000 to \$20,000.....	(4)	(4)	35.7%	42.6%	21.7%
\$20,000 to \$30,000.....	(4)	(4)	30.3%	59.7%	10.0%
\$30,000 to \$40,000.....	(4)	(4)	30.3%	58.3%	11.3%
\$40,000 to \$50,000.....	(4)	(4)	22.0%	60.5%	17.5%
\$50,000 to \$75,000.....	(4)	(4)	17.2%	37.9%	44.9%
\$75,000 to \$100,000.....	(4)	(4)	8.7%	10.0%	81.3%
\$100,000 to \$200,000.....	(4)	(4)	3.0%	4.6%	92.4%
\$200,000 to \$500,000.....	(4)	(4)	0.5%	0.7%	98.8%
\$500,000 to \$1,000,000.....	(4)	(4)	0.2%	0.2%	99.6%
\$1,000,000 and over.....	(4)	(4)	0.1%	0.2%	99.6%
Total, All Taxpayers.....	(4)	(4)	21.6%	28.8%	49.7%

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 A: Part 2 and Part 3; **Subtitle B:** and **Subtitle D:** Part 3 items 1 and 2, Part 4 items 1 and 2, and Part 6.

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(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) The categories reflecting the size of tax change are indexed for inflation.

(4) Less than 0.05%.

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Calendar Year 2031

INCOME CATEGORY (2)	Percentage of Returns				
	Tax Decrease		Tax Change Less than \$100	Tax Increase	
	Greater Than \$500	\$100-\$500		\$100-\$500	Greater Than \$500
Less than \$10,000.....	(4)	(4)	82.9%	5.4%	11.6%
\$10,000 to \$20,000.....	(4)	(4)	22.0%	56.1%	21.9%
\$20,000 to \$30,000.....	(4)	(4)	29.0%	60.8%	10.3%
\$30,000 to \$40,000.....	(4)	(4)	30.3%	57.5%	12.2%
\$40,000 to \$50,000.....	(4)	(4)	21.9%	57.1%	21.0%
\$50,000 to \$75,000.....	(4)	(4)	17.4%	19.7%	62.9%
\$75,000 to \$100,000.....	(4)	(4)	8.9%	9.6%	81.4%
\$100,000 to \$200,000.....	(4)	(4)	3.1%	4.7%	92.2%
\$200,000 to \$500,000.....	(4)	(4)	0.5%	0.8%	98.7%
\$500,000 to \$1,000,000.....	(4)	(4)	0.2%	0.2%	99.6%
\$1,000,000 and over.....	(4)	(4)	0.1%	0.2%	99.6%
Total, All Taxpayers.....	(4)	(4)	20.2%	26.6%	53.2%

Source: Joint Committee on Taxation

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

Subtitle A: Part 2 and Part 3; **Subtitle B:** and **Subtitle D:** Part 3 items 1 and 2, Part 4 items 1 and 2, and Part 6.

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) The categories reflecting the size of tax change are indexed for inflation.

(4) Less than 0.05%.

PROVISIONS FROM #22-2027R4 INCLUDED IN DISTRIBUTION TABLE #D-11-22**SUBTITLE A - DEFICIT REDUCTION****Part 1 - Corporate Tax Reform - Corporate alternative minimum tax****SUBTITLE C - AFFORDABLE CARE ACT SUBSIDIES ⁽¹⁾****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

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 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 Credit**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

(1) The analysis does not include the effects of the policy on employer sponsored health insurance premiums, the employer mandate penalties, or small business health insurance tax credits
Also, the analysis also does not include the effects of spending under Subtitle C estimated by CBO