

**DISTRIBUTIONAL EFFECTS OF SUBTITLE F AND SUBTITLE H OF  
THE REVENUE PROVISIONS OF TITLE XIII - COMMITTEE ON WAYS AND MEANS, OF  
H.R. 5376, THE "BUILD BACK BETTER ACT,"  
AS PASSED BY THE HOUSE OF REPRESENTATIVES**

Calendar Year 2022

INCOME CATEGORY (2)	CHANGE IN FEDERAL TAXES (3) (7)		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.....	-\$30	-0.8%	\$3.8	0.1%	\$3.8	0.1%	7.3%	7.3%
\$10,000 to \$20,000.....	-\$45	(6)	-\$1.4	(6)	-\$1.4	(6)	-0.6%	-0.6%
\$20,000 to \$30,000.....	-\$76	-0.4%	\$19.4	0.5%	\$19.3	0.5%	4.0%	3.9%
\$30,000 to \$40,000.....	-\$131	-0.3%	\$44.9	1.2%	\$44.8	1.2%	7.6%	7.6%
\$40,000 to \$50,000.....	-\$183	-0.3%	\$66.6	1.8%	\$66.4	1.8%	10.2%	10.1%
\$50,000 to \$75,000.....	-\$693	-0.3%	\$231.2	6.4%	\$230.6	6.3%	12.8%	12.8%
\$75,000 to \$100,000.....	-\$923	-0.4%	\$252.6	7.0%	\$251.7	6.9%	15.6%	15.6%
\$100,000 to \$200,000.....	-\$3,945	-0.4%	\$902.0	25.0%	\$898.0	24.7%	18.9%	18.9%
\$200,000 to \$500,000.....	-\$5,068	-0.6%	\$887.3	24.6%	\$882.2	24.2%	23.7%	23.5%
\$500,000 to \$1,000,000....	-\$2,157	-0.7%	\$328.6	9.1%	\$326.5	9.0%	28.1%	27.9%
\$1,000,000 and over.....	\$53,605	6.2%	\$867.4	24.1%	\$921.0	25.3%	29.9%	29.6%
<b>Total, All Taxpayers.....</b>	<b>\$40,354</b>	<b>1.1%</b>	<b>\$3,602.4</b>	<b>100.0%</b>	<b>\$3,642.7</b>	<b>100.0%</b>	<b>20.0%</b>	<b>20.0%</b>

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 Subtitle F and Subtitle H in JCX-46-21, except the following:

**Subtitle F:** Part 3 items 1, 2, and 4, Part 4 items 1, 6, and 7, and Part 6; **Subtitle H:** Part 3, Part 4, and Part 5 items 2-4, 6, 8, 9, and 12.

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

With the exception of Subtitle H Part 1 item E.13, all effective dates are shifted forward one year relative to JCX-46-21.

- (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, [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) Less than \$500,000.
- (6) Less than 0.05%
- (7) All estimates in this table include behavioral effects. The effects are particularly pronounced in 2022 for the \$1 million and over income class. We estimate that the surcharge on high income individuals will casue a shift of income from 2023 into 2022 by taxpayers in the top income class.

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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.....	\$182	4.7%	\$3.9	0.1%	\$4.1	0.1%	7.3%	7.7%
\$10,000 to \$20,000.....	\$258	(5)	-\$1.3	(6)	-\$1.1	(6)	-0.5%	-0.4%
\$20,000 to \$30,000.....	\$370	1.7%	\$21.4	0.6%	\$21.8	0.6%	4.3%	4.4%
\$30,000 to \$40,000.....	\$541	1.1%	\$48.3	1.3%	\$48.9	1.3%	7.8%	7.9%
\$40,000 to \$50,000.....	\$693	1.0%	\$70.1	1.8%	\$70.8	1.8%	10.4%	10.5%
\$50,000 to \$75,000.....	\$2,310	0.9%	\$244.7	6.4%	\$247.0	6.4%	13.0%	13.1%
\$75,000 to \$100,000.....	\$2,872	1.1%	\$268.0	7.0%	\$270.9	7.0%	15.8%	16.0%
\$100,000 to \$200,000.....	\$12,141	1.3%	\$957.6	25.0%	\$969.7	25.1%	19.1%	19.4%
\$200,000 to \$500,000.....	\$16,031	1.7%	\$953.3	24.9%	\$969.4	25.1%	24.1%	24.5%
\$500,000 to \$1,000,000..	\$9,167	2.6%	\$352.0	9.2%	\$361.1	9.4%	28.5%	29.6%
\$1,000,000 and over.....	-\$13,296	-1.5%	\$908.3	23.7%	\$895.0	23.2%	30.2%	34.6%
<b>Total, All Taxpayers.....</b>	<b>\$31,268</b>	<b>0.8%</b>	<b>\$3,826.3</b>	<b>100.0%</b>	<b>\$3,857.6</b>	<b>100.0%</b>	<b>20.3%</b>	<b>20.9%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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**Subtitle F:** Part 3 items 1, 2, and 4, Part 4 items 1, 6, and 7, and Part 6; Subtitle H: Part 3, Part 4, and Part 5 items 2-4, 6, 8, 9, and 12.

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

With the exception of Subtitle H Part 1 item E.13, all effective dates are shifted forward one year relative to JCX-46-21.

(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.....	\$153	4.2%	\$3.6	0.1%	\$3.8	0.1%	6.5%	6.7%
\$10,000 to \$20,000.....	\$211	(5)	-\$2.0	(6)	-\$1.8	(6)	-0.8%	-0.7%
\$20,000 to \$30,000.....	\$361	1.5%	\$23.7	0.6%	\$24.0	0.6%	4.5%	4.5%
\$30,000 to \$40,000.....	\$506	1.0%	\$51.5	1.3%	\$52.0	1.2%	7.7%	7.8%
\$40,000 to \$50,000.....	\$622	0.8%	\$74.9	1.8%	\$75.6	1.8%	10.4%	10.5%
\$50,000 to \$75,000.....	\$2,021	0.8%	\$266.7	6.5%	\$268.7	6.4%	13.0%	13.1%
\$75,000 to \$100,000.....	\$2,401	0.8%	\$294.6	7.2%	\$297.0	7.1%	15.8%	15.9%
\$100,000 to \$200,000.....	\$9,629	0.9%	\$1,046.2	25.6%	\$1,055.9	25.2%	19.1%	19.3%
\$200,000 to \$500,000.....	\$12,047	1.2%	\$1,031.9	25.2%	\$1,044.0	24.9%	24.1%	24.4%
\$500,000 to \$1,000,000..	\$7,688	2.0%	\$379.4	9.3%	\$387.1	9.3%	28.7%	29.5%
\$1,000,000 and over.....	\$54,929	5.9%	\$924.0	22.6%	\$978.9	23.4%	30.5%	34.2%
<b>Total, All Taxpayers.....</b>	<b>\$90,568</b>	<b>2.2%</b>	<b>\$4,094.5</b>	<b>100.0%</b>	<b>\$4,185.1</b>	<b>100.0%</b>	<b>20.2%</b>	<b>20.9%</b>

Source: Joint Committee on Taxation

Detail may not add to total due to rounding.

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[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 -\$1.785 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.....	\$235	6.8%	\$3.5	0.1%	\$3.7	0.1%	5.8%	6.2%
\$10,000 to \$20,000.....	\$409	(5)	-\$0.2	(6)	\$0.2	(6)	-0.1%	0.1%
\$20,000 to \$30,000.....	\$685	2.2%	\$31.1	0.7%	\$31.8	0.7%	5.5%	5.6%
\$30,000 to \$40,000.....	\$908	1.5%	\$62.4	1.3%	\$63.3	1.3%	8.7%	8.8%
\$40,000 to \$50,000.....	\$1,081	1.3%	\$86.3	1.8%	\$87.3	1.8%	11.2%	11.4%
\$50,000 to \$75,000.....	\$3,600	1.2%	\$311.8	6.7%	\$315.4	6.6%	14.0%	14.2%
\$75,000 to \$100,000.....	\$4,168	1.2%	\$344.3	7.4%	\$348.5	7.2%	16.8%	17.0%
\$100,000 to \$200,000.....	\$16,734	1.4%	\$1,204.8	25.8%	\$1,221.5	25.4%	20.2%	20.5%
\$200,000 to \$500,000.....	\$20,445	1.7%	\$1,193.1	25.6%	\$1,213.6	25.2%	25.6%	26.0%
\$500,000 to \$1,000,000..	\$12,201	2.8%	\$442.2	9.5%	\$454.4	9.4%	30.7%	31.7%
\$1,000,000 and over.....	\$85,797	8.7%	\$985.4	21.1%	\$1,071.2	22.3%	32.0%	36.7%
<b>Total, All Taxpayers.....</b>	<b>\$146,262</b>	<b>3.1%</b>	<b>\$4,664.7</b>	<b>100.0%</b>	<b>\$4,810.9</b>	<b>100.0%</b>	<b>21.4%</b>	<b>22.2%</b>

Source: Joint Committee on Taxation

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[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 -\$0.198 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.....	\$235	11.1%	\$2.1	(5)	\$2.4	(5)	2.7%	3.0%
\$10,000 to \$20,000.....	\$466	40.0%	\$1.2	(5)	\$1.6	(5)	0.3%	0.5%
\$20,000 to \$30,000.....	\$762	1.7%	\$44.3	0.9%	\$45.1	0.9%	6.2%	6.3%
\$30,000 to \$40,000.....	\$971	1.3%	\$76.6	1.5%	\$77.6	1.5%	9.1%	9.3%
\$40,000 to \$50,000.....	\$1,186	1.1%	\$111.4	2.2%	\$112.6	2.2%	12.0%	12.1%
\$50,000 to \$75,000.....	\$3,803	1.0%	\$376.9	7.5%	\$380.7	7.4%	14.5%	14.6%
\$75,000 to \$100,000.....	\$4,411	1.1%	\$399.7	8.0%	\$404.1	7.8%	17.2%	17.4%
\$100,000 to \$200,000.....	\$17,027	1.3%	\$1,346.1	26.9%	\$1,363.1	26.4%	20.5%	20.8%
\$200,000 to \$500,000.....	\$21,103	1.7%	\$1,225.0	24.5%	\$1,246.1	24.2%	26.2%	26.6%
\$500,000 to \$1,000,000..	\$12,679	2.9%	\$441.7	8.8%	\$454.3	8.8%	30.7%	31.8%
\$1,000,000 and over.....	\$88,976	9.1%	\$980.6	19.6%	\$1,069.6	20.7%	31.8%	36.7%
<b>Total, All Taxpayers.....</b>	<b>\$151,617</b>	<b>3.0%</b>	<b>\$5,005.5</b>	<b>100.0%</b>	<b>\$5,157.1</b>	<b>100.0%</b>	<b>21.2%</b>	<b>22.0%</b>

Source: Joint Committee on Taxation

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[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) 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.....	\$245	10.4%	\$2.4	(6)	\$2.6	(6)	3.2%	3.6%
\$10,000 to \$20,000.....	\$458	(5)	-\$1.3	(6)	-\$0.8	(6)	-0.4%	-0.3%
\$20,000 to \$30,000.....	\$791	2.1%	\$38.3	0.7%	\$39.1	0.7%	5.7%	5.8%
\$30,000 to \$40,000.....	\$938	1.3%	\$72.0	1.3%	\$73.0	1.3%	8.6%	8.7%
\$40,000 to \$50,000.....	\$1,137	1.1%	\$99.1	1.8%	\$100.3	1.8%	11.1%	11.2%
\$50,000 to \$75,000.....	\$3,627	1.0%	\$366.2	6.8%	\$369.8	6.7%	14.0%	14.1%
\$75,000 to \$100,000.....	\$4,137	1.0%	\$413.7	7.7%	\$417.8	7.6%	16.7%	16.9%
\$100,000 to \$200,000.....	\$15,511	1.1%	\$1,409.8	26.2%	\$1,425.3	25.8%	19.9%	20.1%
\$200,000 to \$500,000.....	\$19,215	1.4%	\$1,399.2	26.0%	\$1,418.4	25.7%	25.5%	25.9%
\$500,000 to \$1,000,000..	\$12,061	2.3%	\$514.1	9.6%	\$526.2	9.5%	30.5%	31.4%
\$1,000,000 and over.....	\$92,142	8.7%	\$1,058.4	19.7%	\$1,150.6	20.8%	31.7%	36.3%
<b>Total, All Taxpayers.....</b>	<b>\$150,262</b>	<b>2.8%</b>	<b>\$5,371.9</b>	<b>100.0%</b>	<b>\$5,522.2</b>	<b>100.0%</b>	<b>21.1%</b>	<b>21.8%</b>

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Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded from the analysis.

Does not include indirect effects.

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(5) For returns in the \$10,000 to \$20,000 income category, Federal taxes would decrease from -\$1.299 billion to -\$0.842 billion.

(6) Less than 0.05%

## **PROVISIONS FROM JCX-46-21 INCLUDED IN DISTRIBUTION TABLE #D-04-22 <sup>(1)</sup>**

### **SUBTITLE F - GREEN ENERGY**

#### **THE "GROWING RENEWABLE ENERGY AND EFFICIENCY NOW (GREEN') ACT OF 2021"**

##### **Part 1 - Renewable Electricity and Reducing Carbon Emissions**

1. Extension and modification of credit for electricity produced from certain renewable resources
2. Extension and modification of energy credit
3. Increase in energy credit for solar facilities placed in service in connection with low-income communities
4. Elective payment for energy property and electricity produced from certain renewable resources, etc.
5. Investment credit for electric transmission property
6. Extension and modification of credit for carbon oxide sequestration
7. Green energy publicly traded partnerships
8. Zero-emission nuclear power production credit

##### **Part 2 - Renewable Fuels**

1. Extension of incentives for biodiesel, renewable diesel and alternative fuels
2. Extension of second generation biofuel incentives
3. Sustainable aviation fuel credit
4. Credit for production of clean hydrogen

##### **Part 3 - Green Energy and Efficiency Incentives for Individuals**

3. Energy efficient commercial buildings deduction
5. Modifications to income exclusion for conservation subsidies
6. Credit for qualified wildfire mitigation expenditures

##### **Part 4 - Greening the Fleet and Alternative Vehicles**

2. Credit for previously-owned qualified plug-in electric drive motor vehicles
3. Qualified commercial electric vehicles
4. Qualified fuel cell motor vehicles
5. Alternative fuel refueling property credit

##### **Part 5 - Investment in the Green Workforce**

1. Extension of the advanced energy project credit
2. Labor costs of installing mechanical insulation property
3. Advanced manufacturing investment credit
4. Advanced manufacturing production credit

##### **Part 7 - Reinstatement of Superfund**

##### **Part 8 - Incentives for Clean Electricity and Clean Transportation**

1. Clean electricity production credit
2. Clean electricity investment credit
3. Increase in clean electricity investment credit for facilities placed in service in connection with low-income communities
4. Cost recovery for qualified facilities, qualified property, and grid improvement property

5. Clean fuel production credit

## **SUBTITLE H - RESPONSIBLY FUNDING OUR PRIORITIES**

### **Part 1 - Corporate and International Tax Reforms**

- A. Corporate Provisions
  1. Corporate alternative minimum tax
  2. Excise tax on repurchase of corporate stock
- B. Limitations on Deduction for Interest Expense
- C. Outbound International Provisions
  1. Modifications to deduction for foreign-derived intangible income and global intangible low-taxed income
  2. Repeal of election for 1-month deferral in determination of taxable year of specified foreign corporations
  3. Modifications of foreign tax credit rules applicable to certain taxpayers receiving specific economic benefits
  4. Modifications to foreign tax credit limitations
  5. Foreign oil and gas extraction income and foreign oil related income to include oil shale and tar sands
  6. Modifications to inclusion of global intangible low-taxed income
  7. Modifications to determination of deemed paid credit for taxes properly attributable to tested income
  8. Deduction for foreign source portion of dividends limited to controlled foreign corporations, etc.
  9. Limitation on foreign base company sales and services income services income
- D. Inbound International Provisions
  1. Modifications to base erosion and anti-abuse tax
- E. Other Business Tax Provisions
  1. Credit for clinical testing of orphan drugs limited to first use or indication
  2. Modifications to treatment of certain losses
  3. Adjusted basis limitation for divisive reorganization
  4. Rents from prison facilities not treated as qualified income for purposes of REIT income tests
  5. Modifications to exemption for portfolio interest
  6. Certain partnership interest derivatives
  7. Adjustments to earnings and profits of controlled foreign corporations
  8. Certain dividends from controlled foreign corporations to United States shareholders treated as extraordinary dividends
  9. Limitation on certain special rules for section 1202 gains
  10. Constructive sales
  11. Rules relating to common control
  12. Modification of wash sale rules
  13. Research and experimental expenditures

### **Part 2 - Tax Increases for High-Income Individuals**

1. Application of net investment income tax to trade or business income of certain high income individuals
2. Limitations on excess business losses of noncorporate taxpayers made permanent, with carryforward modification
3. Surcharge on high income individuals, estates, and trusts (initial surtax on AGI of 5% in excess of \$10,000,000 and additional surtax of 3% on AGI in excess of \$25,000,000)

### **Part 5 - Other Provisions**

1. Modifications to limitation on deduction of excessive employee remuneration
5. Treatment of certain qualified sound recording productions
7. Treatment of financial guaranty insurance companies as qualifying insurance corporations under passive foreign qualifying insurance corporations under passive foreign
10. Temporary increase in employer-provided child care credit
11. Payroll credit for compensation of local news journalists



13. Expenses in contingency fee cases
14. Increase in research credit against payroll tax for small businesses
15. Imposition of tax on nicotine
16. Termination of employer credit for paid family and medical leave

<sup>(1)</sup> The item numbers in this list refer to item numbers in JCX-46-21.