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**Health Care Reform Financing Options:
Extend the Medicare Tax to Investment Income that Is
Currently Exempt**
(State-by-State Figures in Appendix)

Why Lawmakers Are Seeking New Revenue for Health Care

The Senate Finance Committee is scheduled to begin work this week on an overhaul to the American health care system. Many lawmakers and health experts have expressed concern that the proposal put forward by the committee's chairman, Senator Max Baucus of Montana, does not provide enough resources to make health care affordable for working families.

Since the President and Congressional leaders have pledged to enact a health care reform law that does not add to the federal budget deficit, any attempts to provide more resources to make health care more affordable must be accompanied with measures to offset the costs. One way to offset those costs is by reforming the Medicare payroll tax.¹

Reason to Focus on the Medicare Tax: It Exempts Those Who Live Off Investments

The Medicare payroll tax is the one important tax we already have that is dedicated to funding health care, but it completely exempts wealthy investors whose income takes the form of capital gains, stock dividends, interest, rents, royalties, and many other types of investment income.

The Medicare payroll tax (also called the Hospital Insurance tax, or HI tax) is levied at a flat rate of 2.9 percent on all wages and salaries. Technically, half is paid by the employee and half is paid by the employer (but most economists think that the employee ultimately pays the employer portion as well through reduced wages).

¹ The proposal to change the Medicare tax that is described here is similar in concept to a proposal described in a previous CTJ report. (See Citizens for Tax Justice, "Health Care Reform Financing Options: Make the Medicare Tax a More Progressive Tax that Wealthy Investors Pay Just Like Everyone Else," July 7, 2009, <http://www.ctj.org/payingforhealthcare/medicaretaxproposal.pdf>.) The proposal described in the previous report would raise more revenue because it was designed to be the main tax measure to finance health care reform. The proposal described here would raise less revenue because it is designed only to supplement the revenue provisions already included in the Senate Finance Committee's health care reform plan.

How the Medicare Tax Can Be Made Fairer

The individual portion of the Medicare tax (the 1.45 percent tax currently paid by employees) could be extended to cover most types of unearned income besides pension income and Social Security benefits.²

To ensure that households with small amounts of investment income are not unnecessarily affected, the proposal considered here would exempt the first \$10,000 of investment income each year for a single taxpayer and the first \$20,000 each year for a married couple.

The employer portion of the Medicare tax would not be changed.

This Reform would Raise Over \$160 Billion Before the End of the Decade with Little Impact on Working Families

The proposal outlined here would raise \$19 billion in revenue in calendar year 2012 and would raise around \$160 billion in *fiscal years* 2012 through 2019.³

This revenue would be raised without disproportionately impacting families that are currently struggling to obtain health care and other necessities. Over 73 percent of the tax increase would be paid by the wealthiest one percent of taxpayers and over 90 percent would be paid by the richest five percent of taxpayers.

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in the U.S. | | | | |
|--|------------------|----------------------|-----------------------|-----------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,215 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 27,904 | 1 | 0.2% | 0.0% |
| Middle 20% | 46,626 | 5 | 0.7% | 0.0% |
| Fourth 20% | 74,537 | 14 | 2.0% | 0.0% |
| Next 15% | 128,175 | 62 | 6.9% | 0.0% |
| Next 4% | 283,099 | 578 | 17.0% | 0.2% |
| Top 1% | 1,540,599 | 9,907 | 73.2% | 0.6% |
| ALL | \$ 77,410 | \$ 134 | 100.0% | 0.2% |
| Bottom 60% | \$ 28,923 | \$ 2 | 0.9% | 0.0% |

The average tax increase would be largest for the richest one percent, at nearly \$10,000 in 2012. But for taxpayers in this income group, this only represents a little more than half a percent of their total income, on average.

Since most working families do not have investment income, the average tax increase for the bottom three quintiles of taxpayers would only be \$2.

This proposal would have little impact on seniors, because Social Security benefits and pension income would be exempt from the tax.

² Specifically, the 1.45 percent tax would apply to capital gains (no losses), stock dividends, taxable interest, and unearned income (no losses) reported on Schedule E (rents, royalties, S corporation income, passive partnership income and income from trusts and estates).

³ These estimates assume that the proposal would go into effect in 2012 and examines the revenue impact through 2019 since Congress is currently using official estimates based on that time period. If the proposal did not go into effect until later in that budget window, then the revenue impact during the budget window would obviously be less.

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in the U.S. | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,215 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 27,904 | 1 | 0.2% | 0.0% |
| Middle 20% | 46,626 | 5 | 0.7% | 0.0% |
| Fourth 20% | 74,537 | 14 | 2.0% | 0.0% |
| Next 15% | 128,175 | 62 | 6.9% | 0.0% |
| Next 4% | 283,099 | 578 | 17.0% | 0.2% |
| Top 1% | 1,540,599 | 9,907 | 73.2% | 0.6% |
| ALL | \$ 77,410 | \$ 134 | 100.0% | 0.2% |
| Bottom 60% | \$ 28,923 | \$ 2 | 0.9% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Alabama | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,341 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 22,273 | 1 | 0.2% | 0.0% |
| Middle 20% | 37,871 | 1 | 0.2% | 0.0% |
| Fourth 20% | 64,797 | 8 | 1.8% | 0.0% |
| Next 15% | 110,894 | 27 | 4.5% | 0.0% |
| Next 4% | 229,760 | 323 | 14.3% | 0.1% |
| Top 1% | 1,095,451 | 7,146 | 79.0% | 0.7% |
| ALL | \$ 63,215 | \$ 89 | 100.0% | 0.1% |
| Bottom 60% | \$ 23,860 | \$ 1 | 0.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Alaska | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 17,969 | \$ 0 | 0.1% | 0.0% |
| Second 20% | 35,233 | 1 | 0.2% | 0.0% |
| Middle 20% | 60,404 | 3 | 0.6% | 0.0% |
| Fourth 20% | 101,888 | 20 | 3.9% | 0.0% |
| Next 15% | 167,383 | 23 | 3.5% | 0.0% |
| Next 4% | 291,435 | 256 | 10.3% | 0.1% |
| Top 1% | 1,180,374 | 8,100 | 81.4% | 0.7% |
| ALL | \$ 90,116 | \$ 98 | 100.0% | 0.1% |
| Bottom 60% | \$ 37,856 | \$ 1 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Arizona | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,849 | \$ — | — | — |
| Second 20% | 27,595 | 0 | 0.1% | 0.0% |
| Middle 20% | 41,933 | 8 | 1.4% | 0.0% |
| Fourth 20% | 65,298 | 16 | 2.9% | 0.0% |
| Next 15% | 109,024 | 56 | 7.7% | 0.1% |
| Next 4% | 230,588 | 424 | 15.5% | 0.2% |
| Top 1% | 1,181,075 | 7,866 | 72.3% | 0.7% |
| ALL | \$ 66,330 | \$ 108 | 100.0% | 0.2% |
| Bottom 60% | \$ 27,448 | \$ 3 | 1.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Arkansas | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 9,959 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 22,774 | 0 | 0.0% | 0.0% |
| Middle 20% | 38,133 | 2 | 0.5% | 0.0% |
| Fourth 20% | 61,995 | 7 | 1.7% | 0.0% |
| Next 15% | 102,371 | 44 | 8.2% | 0.0% |
| Next 4% | 221,879 | 361 | 18.2% | 0.2% |
| Top 1% | 913,445 | 5,673 | 71.5% | 0.6% |
| ALL | \$ 59,216 | \$ 79 | 100.0% | 0.1% |
| Bottom 60% | \$ 23,678 | \$ 1 | 0.5% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in California | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 14,405 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 30,473 | 1 | 0.1% | 0.0% |
| Middle 20% | 49,228 | 6 | 0.6% | 0.0% |
| Fourth 20% | 79,272 | 17 | 1.8% | 0.0% |
| Next 15% | 144,052 | 91 | 7.3% | 0.1% |
| Next 4% | 333,774 | 839 | 18.0% | 0.3% |
| Top 1% | 1,990,756 | 13,406 | 71.9% | 0.7% |
| ALL | \$ 88,679 | \$ 185 | 100.0% | 0.2% |
| Bottom 60% | \$ 31,374 | \$ 3 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Colorado | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,974 | \$ 1 | 0.1% | 0.0% |
| Second 20% | 31,257 | 1 | 0.2% | 0.0% |
| Middle 20% | 53,283 | 5 | 0.6% | 0.0% |
| Fourth 20% | 84,306 | 11 | 1.2% | 0.0% |
| Next 15% | 146,030 | 98 | 8.5% | 0.1% |
| Next 4% | 318,380 | 945 | 21.9% | 0.3% |
| Top 1% | 1,659,486 | 11,628 | 67.4% | 0.7% |
| ALL | \$ 86,572 | \$ 171 | 100.0% | 0.2% |
| Bottom 60% | \$ 32,562 | \$ 2 | 0.9% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Connecticut | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 14,182 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 35,737 | 1 | 0.1% | 0.0% |
| Middle 20% | 59,675 | 10 | 0.7% | 0.0% |
| Fourth 20% | 97,671 | 15 | 1.1% | 0.0% |
| Next 15% | 173,801 | 124 | 7.2% | 0.1% |
| Next 4% | 439,011 | 1,247 | 18.3% | 0.3% |
| Top 1% | 2,783,272 | 15,707 | 72.5% | 0.6% |
| ALL | \$ 116,047 | \$ 256 | 100.0% | 0.2% |
| Bottom 60% | \$ 36,531 | \$ 4 | 0.9% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Delaware | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,832 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 27,425 | 1 | 0.1% | 0.0% |
| Middle 20% | 48,035 | 8 | 1.3% | 0.0% |
| Fourth 20% | 76,512 | 7 | 1.2% | 0.0% |
| Next 15% | 124,848 | 39 | 5.0% | 0.0% |
| Next 4% | 257,787 | 401 | 13.5% | 0.2% |
| Top 1% | 1,359,314 | 9,408 | 79.0% | 0.7% |
| ALL | \$ 75,058 | \$ 118 | 100.0% | 0.2% |
| Bottom 60% | \$ 29,127 | \$ 3 | 1.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in District of Columbia | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 14,221 | \$ — | — | — |
| Second 20% | 32,092 | 0 | 0.0% | 0.0% |
| Middle 20% | 55,639 | 4 | 0.3% | 0.0% |
| Fourth 20% | 88,483 | 12 | 0.9% | 0.0% |
| Next 15% | 171,435 | 102 | 5.4% | 0.1% |
| Next 4% | 507,314 | 1,604 | 22.5% | 0.3% |
| Top 1% | 2,994,626 | 19,757 | 70.9% | 0.7% |
| ALL | \$ 114,435 | \$ 284 | 100.0% | 0.2% |
| Bottom 60% | \$ 33,811 | \$ 1 | 0.3% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Florida | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,956 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 25,819 | 1 | 0.1% | 0.0% |
| Middle 20% | 41,368 | 3 | 0.3% | 0.0% |
| Fourth 20% | 67,023 | 21 | 2.1% | 0.0% |
| Next 15% | 121,495 | 106 | 8.0% | 0.1% |
| Next 4% | 292,663 | 886 | 17.8% | 0.3% |
| Top 1% | 1,930,032 | 14,212 | 71.6% | 0.7% |
| ALL | \$ 77,666 | \$ 197 | 100.0% | 0.3% |
| Bottom 60% | \$ 26,396 | \$ 1 | 0.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Georgia | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,218 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 21,932 | 0 | 0.0% | 0.0% |
| Middle 20% | 38,073 | 3 | 0.6% | 0.0% |
| Fourth 20% | 63,384 | 5 | 1.0% | 0.0% |
| Next 15% | 111,323 | 36 | 5.5% | 0.0% |
| Next 4% | 245,373 | 480 | 19.6% | 0.2% |
| Top 1% | 1,138,679 | 7,107 | 73.2% | 0.6% |
| ALL | \$ 63,890 | \$ 96 | 100.0% | 0.2% |
| Bottom 60% | \$ 23,423 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Hawaii | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,627 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 28,615 | 1 | 0.1% | 0.0% |
| Middle 20% | 46,431 | 3 | 0.5% | 0.0% |
| Fourth 20% | 72,753 | 14 | 2.7% | 0.0% |
| Next 15% | 129,080 | 45 | 6.7% | 0.0% |
| Next 4% | 266,823 | 473 | 19.2% | 0.2% |
| Top 1% | 1,111,771 | 7,117 | 70.7% | 0.6% |
| ALL | \$ 72,615 | \$ 100 | 100.0% | 0.1% |
| Bottom 60% | \$ 28,949 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Idaho | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,676 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 25,810 | 0 | 0.0% | 0.0% |
| Middle 20% | 43,829 | 1 | 0.2% | 0.0% |
| Fourth 20% | 65,500 | 15 | 2.5% | 0.0% |
| Next 15% | 106,638 | 65 | 8.3% | 0.1% |
| Next 4% | 225,998 | 650 | 21.7% | 0.3% |
| Top 1% | 1,068,653 | 7,791 | 67.2% | 0.7% |
| ALL | \$ 64,897 | \$ 118 | 100.0% | 0.2% |
| Bottom 60% | \$ 27,178 | \$ 0 | 0.2% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Illinois | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,584 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 29,361 | 3 | 0.3% | 0.0% |
| Middle 20% | 50,690 | 5 | 0.7% | 0.0% |
| Fourth 20% | 79,050 | 16 | 2.0% | 0.0% |
| Next 15% | 134,574 | 71 | 6.9% | 0.1% |
| Next 4% | 306,034 | 634 | 16.4% | 0.2% |
| Top 1% | 1,747,097 | 11,485 | 73.7% | 0.7% |
| ALL | \$ 83,261 | \$ 154 | 100.0% | 0.2% |
| Bottom 60% | \$ 30,548 | \$ 3 | 1.1% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Indiana | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,298 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,283 | 1 | 0.3% | 0.0% |
| Middle 20% | 44,255 | 4 | 0.9% | 0.0% |
| Fourth 20% | 67,036 | 9 | 2.1% | 0.0% |
| Next 15% | 105,755 | 42 | 7.7% | 0.0% |
| Next 4% | 212,232 | 332 | 16.4% | 0.2% |
| Top 1% | 951,312 | 5,884 | 72.5% | 0.6% |
| ALL | \$ 63,211 | \$ 81 | 100.0% | 0.1% |
| Bottom 60% | \$ 27,370 | \$ 2 | 1.2% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Iowa | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,528 | \$ 1 | 0.1% | 0.0% |
| Second 20% | 32,419 | 5 | 1.0% | 0.0% |
| Middle 20% | 51,664 | 7 | 1.5% | 0.0% |
| Fourth 20% | 76,663 | 42 | 9.0% | 0.1% |
| Next 15% | 118,107 | 52 | 8.4% | 0.0% |
| Next 4% | 223,412 | 355 | 15.3% | 0.2% |
| Top 1% | 945,720 | 5,986 | 64.6% | 0.6% |
| ALL | \$ 70,131 | \$ 92 | 100.0% | 0.1% |
| Bottom 60% | \$ 32,249 | \$ 4 | 2.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Kansas | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,635 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 29,343 | 2 | 0.3% | 0.0% |
| Middle 20% | 48,563 | 11 | 2.0% | 0.0% |
| Fourth 20% | 76,990 | 20 | 3.6% | 0.0% |
| Next 15% | 123,757 | 86 | 11.8% | 0.1% |
| Next 4% | 257,503 | 396 | 14.5% | 0.2% |
| Top 1% | 1,171,405 | 7,387 | 67.7% | 0.6% |
| ALL | \$ 73,484 | \$ 109 | 100.0% | 0.1% |
| Bottom 60% | \$ 29,855 | \$ 4 | 2.3% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Kentucky | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 9,901 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 23,878 | 1 | 0.2% | 0.0% |
| Middle 20% | 39,840 | 2 | 0.4% | 0.0% |
| Fourth 20% | 63,748 | 8 | 2.3% | 0.0% |
| Next 15% | 102,832 | 19 | 4.1% | 0.0% |
| Next 4% | 207,502 | 298 | 17.3% | 0.1% |
| Top 1% | 878,217 | 5,243 | 75.7% | 0.6% |
| ALL | \$ 59,309 | \$ 69 | 100.0% | 0.1% |
| Bottom 60% | \$ 24,545 | \$ 1 | 0.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Louisiana | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,315 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 24,579 | 1 | 0.3% | 0.0% |
| Middle 20% | 42,026 | 1 | 0.3% | 0.0% |
| Fourth 20% | 68,036 | 6 | 1.3% | 0.0% |
| Next 15% | 121,429 | 54 | 9.0% | 0.0% |
| Next 4% | 246,430 | 454 | 20.4% | 0.2% |
| Top 1% | 1,020,738 | 6,109 | 68.6% | 0.6% |
| ALL | \$ 66,474 | \$ 88 | 100.0% | 0.1% |
| Bottom 60% | \$ 25,968 | \$ 1 | 0.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Maine | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,113 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 27,249 | 0 | 0.0% | 0.0% |
| Middle 20% | 44,470 | 3 | 0.6% | 0.0% |
| Fourth 20% | 68,631 | 10 | 2.2% | 0.0% |
| Next 15% | 111,153 | 54 | 8.8% | 0.0% |
| Next 4% | 233,373 | 580 | 25.7% | 0.2% |
| Top 1% | 914,109 | 5,644 | 62.6% | 0.6% |
| ALL | \$ 65,407 | \$ 90 | 100.0% | 0.1% |
| Bottom 60% | \$ 28,241 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Maryland | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,491 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 34,440 | 2 | 0.3% | 0.0% |
| Middle 20% | 57,321 | 8 | 1.1% | 0.0% |
| Fourth 20% | 92,339 | 11 | 1.5% | 0.0% |
| Next 15% | 159,580 | 81 | 8.3% | 0.1% |
| Next 4% | 333,185 | 536 | 14.6% | 0.2% |
| Top 1% | 1,674,768 | 10,853 | 74.0% | 0.6% |
| ALL | \$ 92,617 | \$ 145 | 100.0% | 0.2% |
| Bottom 60% | \$ 35,114 | \$ 4 | 1.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Massachusetts | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,601 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 32,505 | 4 | 0.4% | 0.0% |
| Middle 20% | 56,917 | 7 | 0.7% | 0.0% |
| Fourth 20% | 90,909 | 19 | 2.0% | 0.0% |
| Next 15% | 160,336 | 72 | 5.6% | 0.0% |
| Next 4% | 373,020 | 764 | 15.7% | 0.2% |
| Top 1% | 2,183,809 | 14,714 | 75.6% | 0.7% |
| ALL | \$ 98,373 | \$ 192 | 100.0% | 0.2% |
| Bottom 60% | \$ 34,035 | \$ 4 | 1.1% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Michigan | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,574 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,255 | 1 | 0.2% | 0.0% |
| Middle 20% | 45,128 | 2 | 0.5% | 0.0% |
| Fourth 20% | 71,121 | 10 | 2.2% | 0.0% |
| Next 15% | 115,026 | 37 | 6.0% | 0.0% |
| Next 4% | 228,043 | 315 | 13.8% | 0.1% |
| Top 1% | 1,107,282 | 7,099 | 77.3% | 0.6% |
| ALL | \$ 67,181 | \$ 91 | 100.0% | 0.1% |
| Bottom 60% | \$ 27,320 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Minnesota | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,583 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 33,483 | 3 | 0.5% | 0.0% |
| Middle 20% | 54,992 | 11 | 1.7% | 0.0% |
| Fourth 20% | 82,223 | 20 | 3.2% | 0.0% |
| Next 15% | 132,106 | 50 | 6.0% | 0.0% |
| Next 4% | 289,700 | 505 | 16.1% | 0.2% |
| Top 1% | 1,413,615 | 9,094 | 72.5% | 0.6% |
| ALL | \$ 81,907 | \$ 125 | 100.0% | 0.2% |
| Bottom 60% | \$ 34,037 | \$ 5 | 2.2% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Mississippi | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,164 | \$ — | — | — |
| Second 20% | 20,567 | 1 | 0.2% | 0.0% |
| Middle 20% | 34,780 | 2 | 0.6% | 0.0% |
| Fourth 20% | 60,091 | 10 | 3.3% | 0.0% |
| Next 15% | 102,758 | 33 | 8.0% | 0.0% |
| Next 4% | 203,475 | 235 | 16.0% | 0.1% |
| Top 1% | 811,147 | 4,450 | 71.9% | 0.5% |
| ALL | \$ 56,019 | \$ 61 | 100.0% | 0.1% |
| Bottom 60% | \$ 21,814 | \$ 1 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Missouri | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,527 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,489 | 2 | 0.4% | 0.0% |
| Middle 20% | 44,336 | 5 | 1.1% | 0.0% |
| Fourth 20% | 71,104 | 14 | 2.9% | 0.0% |
| Next 15% | 115,939 | 49 | 7.5% | 0.0% |
| Next 4% | 240,211 | 462 | 19.1% | 0.2% |
| Top 1% | 1,128,041 | 6,696 | 69.0% | 0.6% |
| ALL | \$ 68,181 | \$ 96 | 100.0% | 0.1% |
| Bottom 60% | \$ 27,451 | \$ 2 | 1.5% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Montana | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,734 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 24,990 | 5 | 0.9% | 0.0% |
| Middle 20% | 41,028 | 1 | 0.2% | 0.0% |
| Fourth 20% | 65,219 | 14 | 2.5% | 0.0% |
| Next 15% | 108,676 | 75 | 9.7% | 0.1% |
| Next 4% | 234,172 | 764 | 26.6% | 0.3% |
| Top 1% | 987,260 | 6,978 | 60.1% | 0.7% |
| ALL | \$ 63,263 | \$ 115 | 100.0% | 0.2% |
| Bottom 60% | \$ 25,660 | \$ 2 | 1.1% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Nebraska | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,220 | \$ 0 | 0.1% | 0.0% |
| Second 20% | 29,548 | 1 | 0.2% | 0.0% |
| Middle 20% | 47,965 | 9 | 1.5% | 0.0% |
| Fourth 20% | 73,879 | 30 | 5.1% | 0.0% |
| Next 15% | 121,361 | 53 | 6.7% | 0.0% |
| Next 4% | 242,135 | 390 | 13.3% | 0.2% |
| Top 1% | 1,236,309 | 8,654 | 73.1% | 0.7% |
| ALL | \$ 72,762 | \$ 117 | 100.0% | 0.2% |
| Bottom 60% | \$ 29,926 | \$ 3 | 1.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Nevada | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 14,872 | \$ 1 | 0.1% | 0.0% |
| Second 20% | 29,695 | 1 | 0.1% | 0.0% |
| Middle 20% | 47,532 | 0 | 0.0% | 0.0% |
| Fourth 20% | 72,464 | 5 | 0.6% | 0.0% |
| Next 15% | 117,907 | 38 | 3.1% | 0.0% |
| Next 4% | 262,050 | 574 | 12.4% | 0.2% |
| Top 1% | 2,016,336 | 15,418 | 83.7% | 0.8% |
| ALL | \$ 80,450 | \$ 183 | 100.0% | 0.2% |
| Bottom 60% | \$ 30,693 | \$ 1 | 0.2% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in New Hampshire | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 16,128 | \$ 2 | 0.3% | 0.0% |
| Second 20% | 36,757 | 1 | 0.2% | 0.0% |
| Middle 20% | 58,506 | 10 | 1.7% | 0.0% |
| Fourth 20% | 91,029 | 12 | 2.1% | 0.0% |
| Next 15% | 146,859 | 79 | 10.0% | 0.1% |
| Next 4% | 305,780 | 628 | 21.1% | 0.2% |
| Top 1% | 1,437,132 | 7,709 | 64.8% | 0.5% |
| ALL | \$ 88,091 | \$ 118 | 100.0% | 0.1% |
| Bottom 60% | \$ 37,273 | \$ 4 | 2.2% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in New Jersey | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,846 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 33,826 | 1 | 0.1% | 0.0% |
| Middle 20% | 58,555 | 6 | 0.8% | 0.0% |
| Fourth 20% | 95,089 | 17 | 2.2% | 0.0% |
| Next 15% | 168,346 | 79 | 7.7% | 0.0% |
| Next 4% | 381,606 | 738 | 19.1% | 0.2% |
| Top 1% | 2,000,173 | 10,816 | 70.0% | 0.5% |
| ALL | \$ 100,053 | \$ 153 | 100.0% | 0.2% |
| Bottom 60% | \$ 35,411 | \$ 3 | 1.0% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in New Mexico | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,772 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,477 | 0 | 0.1% | 0.0% |
| Middle 20% | 42,849 | 3 | 0.7% | 0.0% |
| Fourth 20% | 69,647 | 19 | 4.0% | 0.0% |
| Next 15% | 119,208 | 50 | 7.7% | 0.0% |
| Next 4% | 248,551 | 477 | 19.7% | 0.2% |
| Top 1% | 985,533 | 6,601 | 67.7% | 0.7% |
| ALL | \$ 67,062 | \$ 96 | 100.0% | 0.1% |
| Bottom 60% | \$ 27,047 | \$ 1 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in New York | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,712 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 25,606 | 1 | 0.1% | 0.0% |
| Middle 20% | 45,414 | 2 | 0.2% | 0.0% |
| Fourth 20% | 75,606 | 9 | 0.9% | 0.0% |
| Next 15% | 135,769 | 45 | 3.3% | 0.0% |
| Next 4% | 333,991 | 681 | 13.4% | 0.2% |
| Top 1% | 2,545,032 | 16,631 | 82.0% | 0.7% |
| ALL | \$ 89,308 | \$ 200 | 100.0% | 0.2% |
| Bottom 60% | \$ 27,244 | \$ 1 | 0.3% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in North Carolina | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,123 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 23,918 | 0 | 0.1% | 0.0% |
| Middle 20% | 39,825 | 3 | 0.6% | 0.0% |
| Fourth 20% | 65,312 | 5 | 1.3% | 0.0% |
| Next 15% | 110,776 | 40 | 7.5% | 0.0% |
| Next 4% | 237,572 | 353 | 17.7% | 0.1% |
| Top 1% | 1,007,175 | 5,797 | 72.8% | 0.6% |
| ALL | \$ 63,554 | \$ 79 | 100.0% | 0.1% |
| Bottom 60% | \$ 24,958 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in North Dakota | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 15,812 | \$ 1 | 0.2% | 0.0% |
| Second 20% | 33,378 | 2 | 0.3% | 0.0% |
| Middle 20% | 55,819 | 19 | 3.1% | 0.0% |
| Fourth 20% | 88,168 | 43 | 7.0% | 0.0% |
| Next 15% | 134,939 | 88 | 11.2% | 0.1% |
| Next 4% | 266,952 | 726 | 23.9% | 0.3% |
| Top 1% | 1,048,414 | 6,555 | 54.2% | 0.6% |
| ALL | \$ 79,938 | \$ 121 | 100.0% | 0.2% |
| Bottom 60% | \$ 34,990 | \$ 7 | 3.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Ohio | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,129 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,095 | 0 | 0.1% | 0.0% |
| Middle 20% | 43,538 | 6 | 1.5% | 0.0% |
| Fourth 20% | 65,836 | 11 | 2.8% | 0.0% |
| Next 15% | 104,490 | 29 | 5.6% | 0.0% |
| Next 4% | 217,130 | 309 | 15.9% | 0.1% |
| Top 1% | 995,597 | 5,763 | 74.1% | 0.6% |
| ALL | \$ 62,831 | \$ 77 | 100.0% | 0.1% |
| Bottom 60% | \$ 26,909 | \$ 2 | 1.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Oklahoma | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,319 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 23,517 | 1 | 0.1% | 0.0% |
| Middle 20% | 41,344 | 12 | 1.8% | 0.0% |
| Fourth 20% | 66,708 | 19 | 2.9% | 0.0% |
| Next 15% | 115,455 | 47 | 5.5% | 0.0% |
| Next 4% | 246,781 | 566 | 17.7% | 0.2% |
| Top 1% | 1,252,438 | 9,175 | 71.8% | 0.7% |
| ALL | \$ 67,330 | \$ 127 | 100.0% | 0.2% |
| Bottom 60% | \$ 25,054 | \$ 4 | 2.0% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Oregon | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,606 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 26,193 | 0 | 0.1% | 0.0% |
| Middle 20% | 43,853 | 3 | 0.5% | 0.0% |
| Fourth 20% | 70,132 | 13 | 2.4% | 0.0% |
| Next 15% | 118,568 | 69 | 9.6% | 0.1% |
| Next 4% | 249,888 | 614 | 22.7% | 0.2% |
| Top 1% | 1,050,801 | 6,968 | 64.7% | 0.7% |
| ALL | \$ 67,851 | \$ 107 | 100.0% | 0.2% |
| Bottom 60% | \$ 27,214 | \$ 1 | 0.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Pennsylvania | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,009 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 28,772 | 2 | 0.3% | 0.0% |
| Middle 20% | 48,624 | 5 | 0.9% | 0.0% |
| Fourth 20% | 74,906 | 8 | 1.6% | 0.0% |
| Next 15% | 124,392 | 49 | 7.1% | 0.0% |
| Next 4% | 268,695 | 394 | 15.3% | 0.1% |
| Top 1% | 1,319,782 | 7,720 | 74.6% | 0.6% |
| ALL | \$ 74,445 | \$ 102 | 100.0% | 0.1% |
| Bottom 60% | \$ 29,801 | \$ 2 | 1.3% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Rhode Island | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,200 | \$ — | — | — |
| Second 20% | 26,267 | 0 | 0.1% | 0.0% |
| Middle 20% | 47,834 | 4 | 0.8% | 0.0% |
| Fourth 20% | 76,027 | 6 | 1.1% | 0.0% |
| Next 15% | 129,211 | 46 | 6.9% | 0.0% |
| Next 4% | 270,646 | 483 | 19.1% | 0.2% |
| Top 1% | 1,202,692 | 7,195 | 71.2% | 0.6% |
| ALL | \$ 73,533 | \$ 100 | 100.0% | 0.1% |
| Bottom 60% | \$ 28,516 | \$ 1 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in South Carolina | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 10,848 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 23,743 | 0 | 0.1% | 0.0% |
| Middle 20% | 37,735 | 1 | 0.2% | 0.0% |
| Fourth 20% | 62,057 | 6 | 1.5% | 0.0% |
| Next 15% | 106,490 | 32 | 5.8% | 0.0% |
| Next 4% | 227,275 | 410 | 19.9% | 0.2% |
| Top 1% | 965,548 | 5,949 | 72.4% | 0.6% |
| ALL | \$ 60,782 | \$ 81 | 100.0% | 0.1% |
| Bottom 60% | \$ 24,107 | \$ 0 | 0.3% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in South Dakota | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,833 | \$ — | — | — |
| Second 20% | 27,671 | 1 | 0.2% | 0.0% |
| Middle 20% | 47,796 | 11 | 1.6% | 0.0% |
| Fourth 20% | 72,780 | 35 | 5.3% | 0.0% |
| Next 15% | 115,360 | 59 | 6.7% | 0.1% |
| Next 4% | 241,763 | 705 | 21.5% | 0.3% |
| Top 1% | 1,189,817 | 8,571 | 64.6% | 0.7% |
| ALL | \$ 70,000 | \$ 131 | 100.0% | 0.2% |
| Bottom 60% | \$ 29,071 | \$ 4 | 1.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Tennessee | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 11,271 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 24,668 | 0 | 0.1% | 0.0% |
| Middle 20% | 41,060 | 1 | 0.3% | 0.0% |
| Fourth 20% | 63,337 | 18 | 4.3% | 0.0% |
| Next 15% | 106,021 | 37 | 6.8% | 0.0% |
| Next 4% | 234,285 | 299 | 14.8% | 0.1% |
| Top 1% | 1,149,721 | 5,928 | 73.6% | 0.5% |
| ALL | \$ 64,124 | \$ 80 | 100.0% | 0.1% |
| Bottom 60% | \$ 25,673 | \$ 1 | 0.4% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Texas | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,715 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 27,742 | 1 | 0.1% | 0.0% |
| Middle 20% | 45,230 | 5 | 0.8% | 0.0% |
| Fourth 20% | 74,422 | 16 | 2.6% | 0.0% |
| Next 15% | 133,243 | 61 | 7.3% | 0.0% |
| Next 4% | 295,675 | 520 | 16.6% | 0.2% |
| Top 1% | 1,572,509 | 9,122 | 72.6% | 0.6% |
| ALL | \$ 78,741 | \$ 125 | 100.0% | 0.2% |
| Bottom 60% | \$ 28,562 | \$ 2 | 0.9% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Utah | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,335 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 28,553 | 1 | 0.2% | 0.0% |
| Middle 20% | 46,337 | 2 | 0.3% | 0.0% |
| Fourth 20% | 72,163 | 8 | 1.3% | 0.0% |
| Next 15% | 120,259 | 68 | 8.0% | 0.1% |
| Next 4% | 246,372 | 603 | 18.9% | 0.2% |
| Top 1% | 1,256,457 | 9,136 | 71.4% | 0.7% |
| ALL | \$ 71,530 | \$ 127 | 100.0% | 0.2% |
| Bottom 60% | \$ 29,061 | \$ 1 | 0.5% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Vermont | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,186 | \$ — | — | — |
| Second 20% | 29,786 | 7 | 1.2% | 0.0% |
| Middle 20% | 48,326 | 14 | 2.4% | 0.0% |
| Fourth 20% | 71,531 | 21 | 3.6% | 0.0% |
| Next 15% | 120,245 | 77 | 9.8% | 0.1% |
| Next 4% | 253,333 | 587 | 20.1% | 0.2% |
| Top 1% | 1,076,174 | 7,337 | 62.9% | 0.7% |
| ALL | \$ 71,164 | \$ 117 | 100.0% | 0.2% |
| Bottom 60% | \$ 30,411 | \$ 7 | 3.6% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Virginia | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 12,553 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 29,630 | 1 | 0.2% | 0.0% |
| Middle 20% | 51,250 | 3 | 0.5% | 0.0% |
| Fourth 20% | 84,160 | 15 | 2.2% | 0.0% |
| Next 15% | 147,746 | 70 | 8.1% | 0.0% |
| Next 4% | 309,625 | 543 | 16.8% | 0.2% |
| Top 1% | 1,462,528 | 9,380 | 72.2% | 0.6% |
| ALL | \$ 84,064 | \$ 129 | 100.0% | 0.2% |
| Bottom 60% | \$ 31,155 | \$ 1 | 0.7% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Washington | | | | |
|---|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,141 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 32,245 | 2 | 0.2% | 0.0% |
| Middle 20% | 55,376 | 5 | 0.6% | 0.0% |
| Fourth 20% | 86,659 | 18 | 2.1% | 0.0% |
| Next 15% | 143,761 | 91 | 8.2% | 0.1% |
| Next 4% | 312,552 | 824 | 19.9% | 0.3% |
| Top 1% | 1,655,385 | 11,430 | 68.9% | 0.7% |
| ALL | \$ 86,483 | \$ 163 | 100.0% | 0.2% |
| Bottom 60% | \$ 33,612 | \$ 2 | 0.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in West Virginia | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 9,764 | \$ — | — | — |
| Second 20% | 21,886 | 0 | 0.1% | 0.0% |
| Middle 20% | 35,889 | 2 | 1.0% | 0.0% |
| Fourth 20% | 60,405 | 3 | 1.3% | 0.0% |
| Next 15% | 98,276 | 19 | 6.4% | 0.0% |
| Next 4% | 185,704 | 195 | 17.6% | 0.1% |
| Top 1% | 667,459 | 3,264 | 73.7% | 0.5% |
| ALL | \$ 53,775 | \$ 44 | 100.0% | 0.1% |
| Bottom 60% | \$ 22,511 | \$ 1 | 1.0% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Wisconsin | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 13,976 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 29,133 | 2 | 0.3% | 0.0% |
| Middle 20% | 48,103 | 7 | 1.5% | 0.0% |
| Fourth 20% | 74,612 | 14 | 2.9% | 0.0% |
| Next 15% | 115,016 | 50 | 7.7% | 0.0% |
| Next 4% | 232,419 | 367 | 15.1% | 0.2% |
| Top 1% | 1,129,837 | 7,082 | 72.4% | 0.6% |
| ALL | \$ 70,658 | \$ 97 | 100.0% | 0.1% |
| Bottom 60% | \$ 30,341 | \$ 3 | 1.8% | 0.0% |

| Expanding the Individual (1.45%) HI Tax to Unearned Income, Exempt \$10k (singles) / \$20k (married), Impact in 2012 in Wyoming | | | | |
|--|-------------------|-------------------------|--------------------------|--------------------------------|
| Income Group | Average Income | Average Tax Increase | Share of Tax Increase | Tax Increase as % of Income |
| Lowest 20% | \$ 14,535 | \$ 0 | 0.0% | 0.0% |
| Second 20% | 34,478 | 2 | 0.1% | 0.0% |
| Middle 20% | 56,375 | 8 | 0.5% | 0.0% |
| Fourth 20% | 86,577 | 25 | 1.8% | 0.0% |
| Next 15% | 134,586 | 105 | 5.4% | 0.1% |
| Next 4% | 300,114 | 1,121 | 15.4% | 0.4% |
| Top 1% | 2,669,154 | 22,466 | 76.8% | 0.8% |
| ALL | \$ 97,157 | \$ 291 | 100.0% | 0.3% |
| Bottom 60% | \$ 35,159 | \$ 3 | 0.7% | 0.0% |