

March 2017

Affordable Care Act Repeal Includes a \$31 Billion Tax Cut for a Handful of the Wealthiest Taxpayers

50-State Breakdown

Congressional Republicans have proposed legislation that would repeal the Affordable Care Act (ACA), including rolling back a number of tax changes that were enacted to pay for the ACA's health care expansions. Among these tax changes are two targeted income tax increases that took effect in 2013, each of which apply only to a small number of the wealthiest Americans: the net investment tax and additional Medicare tax. Repealing these two taxes would cost over \$31 billion a year if implemented in tax year 2016, and 85 percent of the benefit from repealing these taxes would go to the best off 1 percent of Americans nationwide.

The following tables provide state-by-state estimates on the impact of repealing the net investment tax (Table 1), the additional Medicare tax (Table 2), and the combined effect of repealing the two taxes (Table 3). Table 4 provides information on the minimum and average incomes of the top 1 percent of taxpayers. The state-by state breakdown includes: number of taxpayers affected, share of total taxpayers affected, the total tax cut, average tax cut for the top 1 percent of taxpayers, and the share of the tax cuts going to the top 1 percent of taxpayers.

Table 1: Impact of Net Investment Income Tax Repeal

	<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>		<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>
United States	4,045,000	2.7%	\$ -23,000	\$ -17,000	90%	Missouri	48,400	1.7%	\$ -263	\$ -11,100	93%
Alabama	31,200	1.4%	\$ -115	\$ -6,420	90%	Montana	10,000	2.0%	\$ -58	\$ -12,100	90%
Alaska	8,400	2.4%	\$ -22	\$ -8,420	89%	Nebraska	17,400	2.0%	\$ -72	\$ -9,900	92%
Arizona	55,100	1.9%	\$ -253	\$ -10,630	93%	Nevada	23,600	1.8%	\$ -252	\$ -25,060	96%
Arkansas	17,800	1.3%	\$ -178	\$ -16,390	96%	New Hampshire	19,500	2.9%	\$ -84	\$ -12,920	89%
California	697,600	4.1%	\$ -4,233	\$ -24,640	87%	New Jersey	186,500	4.4%	\$ -721	\$ -17,350	81%
Colorado	85,600	3.3%	\$ -416	\$ -16,490	88%	New Mexico	14,000	1.6%	\$ -68	\$ -8,470	95%
Connecticut	77,300	4.4%	\$ -637	\$ -41,570	89%	New York	352,300	3.6%	\$ -3,154	\$ -38,970	92%
Delaware	9,900	2.1%	\$ -34	\$ -10,450	90%	North Carolina	85,200	1.8%	\$ -346	\$ -9,190	89%
District of Columbia	20,000	5.7%	\$ -97	\$ -29,630	81%	North Dakota	11,100	3.0%	\$ -64	\$ -16,230	88%
Florida	223,100	2.2%	\$ -2,000	\$ -22,810	93%	Ohio	103,000	1.8%	\$ -391	\$ -8,330	89%
Georgia	95,800	2.1%	\$ -431	\$ -12,640	91%	Oklahoma	33,300	2.0%	\$ -184	\$ -10,620	95%
Hawaii	13,600	1.9%	\$ -65	\$ -10,620	91%	Oregon	43,000	2.2%	\$ -175	\$ -8,640	93%
Idaho	10,900	1.5%	\$ -54	\$ -10,370	94%	Pennsylvania	146,200	2.3%	\$ -605	\$ -10,330	91%
Illinois	177,700	3.0%	\$ -951	\$ -17,520	91%	Rhode Island	12,400	2.3%	\$ -58	\$ -11,720	93%
Indiana	49,900	1.6%	\$ -170	\$ -6,720	91%	South Carolina	36,500	1.6%	\$ -149	\$ -9,020	93%
Iowa	25,500	1.7%	\$ -87	\$ -6,060	97%	South Dakota	8,600	2.1%	\$ -44	\$ -10,720	93%
Kansas	27,800	2.1%	\$ -164	\$ -12,640	92%	Tennessee	52,900	1.7%	\$ -260	\$ -9,870	91%
Kentucky	27,200	1.3%	\$ -151	\$ -9,650	93%	Texas	354,800	3.0%	\$ -2,351	\$ -20,850	91%
Louisiana	42,900	2.1%	\$ -222	\$ -12,180	90%	Utah	25,800	2.1%	\$ -131	\$ -12,760	93%
Maine	10,300	1.5%	\$ -37	\$ -6,730	92%	Vermont	7,200	2.3%	\$ -35	\$ -11,740	92%
Maryland	97,100	3.3%	\$ -325	\$ -10,970	89%	Virginia	132,300	3.2%	\$ -469	\$ -12,950	89%
Massachusetts	162,400	4.7%	\$ -1,028	\$ -30,890	91%	Washington	108,800	3.2%	\$ -710	\$ -20,010	92%
Michigan	82,500	1.7%	\$ -354	\$ -10,730	93%	West Virginia	9,500	1.1%	\$ -34	\$ -4,480	96%
Minnesota	77,300	2.9%	\$ -300	\$ -12,400	89%	Wisconsin	53,000	1.9%	\$ -209	\$ -8,520	92%
Mississippi	16,600	1.2%	\$ -55	\$ -5,960	95%	Wyoming	6,800	2.5%	\$ -112	\$ -43,000	97%

Source: ITEP Microsimulation Model, March 2017

Table 2: Impact of Additional Medicare Tax Repeal

	<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>
United States	3,599,800	2.4%	\$ -8,143	\$ -4,800	71%
Alabama	23,600	1.0%	\$ -46	\$ -2,400	84%
Alaska	6,700	1.9%	\$ -10	\$ -3,010	67%
Arizona	47,700	1.7%	\$ -96	\$ -3,820	73%
Arkansas	16,100	1.2%	\$ -29	\$ -2,710	78%
California	637,000	3.8%	\$ -1,535	\$ -6,880	69%
Colorado	64,600	2.5%	\$ -129	\$ -4,520	66%
Connecticut	75,100	4.2%	\$ -253	\$ -11,270	70%
Delaware	8,000	1.7%	\$ -16	\$ -3,610	75%
District of Columbia	21,300	6.1%	\$ -46	\$ -7,090	52%
Florida	149,900	1.5%	\$ -405	\$ -5,010	75%
Georgia	94,200	2.1%	\$ -201	\$ -4,460	67%
Hawaii	9,000	1.3%	\$ -15	\$ -2,800	66%
Idaho	7,100	1.0%	\$ -14	\$ -2,960	77%
Illinois	165,800	2.8%	\$ -387	\$ -4,980	65%
Indiana	38,600	1.3%	\$ -73	\$ -2,780	80%
Iowa	17,600	1.2%	\$ -30	\$ -2,770	80%
Kansas	21,400	1.6%	\$ -45	\$ -3,070	73%
Kentucky	22,000	1.1%	\$ -42	\$ -2,670	84%
Louisiana	38,700	1.9%	\$ -56	\$ -2,730	81%
Maine	7,300	1.1%	\$ -12	\$ -2,090	82%
Maryland	88,000	3.0%	\$ -172	\$ -4,110	59%
Massachusetts	151,000	4.4%	\$ -334	\$ -5,950	58%
Michigan	77,400	1.6%	\$ -160	\$ -3,840	75%
Minnesota	66,300	2.5%	\$ -131	\$ -3,820	67%
Mississippi	12,900	0.9%	\$ -20	\$ -2,240	95%

	<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>
Missouri	41,500	1.4%	\$ -87	\$ -3,250	83%
Montana	5,100	1.0%	\$ -9	\$ -2,230	79%
Nebraska	11,500	1.3%	\$ -24	\$ -4,800	80%
Nevada	16,800	1.3%	\$ -42	\$ -4,650	72%
New Hampshire	18,100	2.7%	\$ -35	\$ -3,640	72%
New Jersey	203,700	4.8%	\$ -475	\$ -6,570	62%
New Mexico	10,500	1.2%	\$ -15	\$ -2,070	85%
New York	330,800	3.4%	\$ -1,058	\$ -8,060	73%
North Carolina	86,900	1.8%	\$ -161	\$ -3,250	76%
North Dakota	5,500	1.5%	\$ -9	\$ -2,020	77%
Ohio	90,200	1.6%	\$ -170	\$ -3,200	78%
Oklahoma	23,100	1.4%	\$ -43	\$ -2,760	84%
Oregon	37,800	1.9%	\$ -60	\$ -2,960	68%
Pennsylvania	135,300	2.1%	\$ -287	\$ -4,000	74%
Rhode Island	10,300	1.9%	\$ -20	\$ -3,380	72%
South Carolina	32,300	1.4%	\$ -51	\$ -2,940	80%
South Dakota	4,600	1.1%	\$ -9	\$ -2,620	85%
Tennessee	52,300	1.7%	\$ -133	\$ -4,100	85%
Texas	307,900	2.6%	\$ -665	\$ -4,350	74%
Utah	19,500	1.6%	\$ -37	\$ -3,980	71%
Vermont	4,100	1.3%	\$ -8	\$ -3,140	74%
Virginia	126,600	3.1%	\$ -220	\$ -4,140	62%
Washington	104,600	3.1%	\$ -169	\$ -3,960	70%
West Virginia	7,700	0.8%	\$ -12	\$ -1,970	97%
Wisconsin	42,700	1.5%	\$ -84	\$ -3,000	80%
Wyoming	3,400	1.2%	\$ -7	\$ -3,060	89%

Source: ITEP Microsimulation Model, March 2017

Table 3: Combined Impact of Repealing Net Investment Income Tax and Additional Medicare Tax

	<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>		<i># of taxpayers affected</i>	<i>% of taxpayers affected</i>	<i>Tax Cuts \$-million</i>	<i>Avg tax cut, top 1%</i>	<i>% of tax cuts to top 1%</i>
United States	4,523,000	3.0%	\$ -31,515.5	\$ -19,672	85%	Missouri	52,500	1.8%	\$ -349	\$ -13,060	90%
Alabama	33,600	1.5%	\$ -161	\$ -8,020	89%	Montana	10,600	2.1%	\$ -67	\$ -12,640	88%
Alaska	9,700	2.8%	\$ -32	\$ -9,530	82%	Nebraska	19,700	2.2%	\$ -96	\$ -11,410	89%
Arizona	61,600	2.1%	\$ -349	\$ -12,410	87%	Nevada	26,500	2.0%	\$ -294	\$ -25,270	93%
Arkansas	20,400	1.5%	\$ -206	\$ -16,400	93%	New Hampshire	21,800	3.3%	\$ -119	\$ -14,950	84%
California	791,100	4.7%	\$ -5,768	\$ -27,550	82%	New Jersey	206,900	4.9%	\$ -1,195	\$ -23,000	73%
Colorado	98,500	3.8%	\$ -544	\$ -17,400	83%	New Mexico	15,000	1.7%	\$ -82	\$ -9,360	93%
Connecticut	85,300	4.8%	\$ -890	\$ -48,590	84%	New York	407,300	4.2%	\$ -4,212	\$ -40,640	87%
Delaware	11,100	2.4%	\$ -50	\$ -12,400	85%	North Carolina	93,900	2.0%	\$ -507	\$ -11,540	85%
District of Columbia	22,100	6.3%	\$ -143	\$ -34,240	72%	North Dakota	11,700	3.2%	\$ -72	\$ -16,440	87%
Florida	245,400	2.4%	\$ -2,404	\$ -23,890	90%	Ohio	112,000	1.9%	\$ -562	\$ -10,470	86%
Georgia	105,200	2.3%	\$ -633	\$ -15,500	83%	Oklahoma	38,000	2.2%	\$ -227	\$ -11,060	93%
Hawaii	15,000	2.1%	\$ -79	\$ -11,230	86%	Oregon	50,600	2.6%	\$ -235	\$ -9,430	86%
Idaho	11,800	1.6%	\$ -68	\$ -11,540	90%	Pennsylvania	160,200	2.5%	\$ -892	\$ -12,970	86%
Illinois	194,200	3.3%	\$ -1,338	\$ -20,530	84%	Rhode Island	13,400	2.5%	\$ -77	\$ -13,590	87%
Indiana	54,200	1.8%	\$ -243	\$ -8,430	88%	South Carolina	40,400	1.8%	\$ -200	\$ -10,520	89%
Iowa	28,700	1.9%	\$ -117	\$ -7,000	92%	South Dakota	9,200	2.3%	\$ -53	\$ -11,530	91%
Kansas	29,900	2.2%	\$ -209	\$ -14,110	88%	Tennessee	59,500	1.9%	\$ -393	\$ -12,740	89%
Kentucky	29,400	1.4%	\$ -193	\$ -11,060	91%	Texas	394,000	3.3%	\$ -3,015	\$ -22,500	87%
Louisiana	48,000	2.3%	\$ -278	\$ -13,150	89%	Utah	28,300	2.4%	\$ -168	\$ -14,220	88%
Maine	11,100	1.6%	\$ -49	\$ -7,940	89%	Vermont	7,700	2.4%	\$ -42	\$ -12,790	89%
Maryland	109,100	3.7%	\$ -497	\$ -13,120	79%	Virginia	154,300	3.8%	\$ -689	\$ -14,610	81%
Massachusetts	177,500	5.1%	\$ -1,362	\$ -33,670	83%	Washington	125,800	3.7%	\$ -879	\$ -20,580	87%
Michigan	90,200	1.9%	\$ -514	\$ -13,270	87%	West Virginia	11,100	1.2%	\$ -46	\$ -5,240	96%
Minnesota	85,300	3.3%	\$ -430	\$ -14,580	82%	Wisconsin	58,200	2.1%	\$ -293	\$ -10,250	89%
Mississippi	19,200	1.4%	\$ -76	\$ -6,830	95%	Wyoming	7,300	2.7%	\$ -118	\$ -41,200	96%

Source: ITEP Microsimulation Model, March 2017

Table 4: Minimum and Average Income of Top 1% of Taxpayers

2016 Incomes

	<i>Minimum Income of Top 1%</i>	<i>Average Income of Top 1%</i>		<i>Minimum Income of Top 1%</i>	<i>Average Income of Top 1%</i>
United States	\$ 578,000	\$ 2,025,000	Missouri	\$ 452,000	\$ 1,526,000
Alabama	\$ 466,000	\$ 1,366,000	Montana	\$ 506,000	\$ 1,729,000
Alaska	\$ 566,000	\$ 1,311,000	Nebraska	\$ 505,000	\$ 1,561,000
Arizona	\$ 444,000	\$ 1,294,000	Nevada	\$ 508,000	\$ 2,372,000
Arkansas	\$ 458,000	\$ 1,265,000	New Hampshire	\$ 506,000	\$ 1,560,000
California	\$ 786,000	\$ 2,523,000	New Jersey	\$ 1,033,000	\$ 2,928,000
Colorado	\$ 601,000	\$ 1,766,000	New Mexico	\$ 411,000	\$ 1,190,000
Connecticut	\$ 900,000	\$ 3,308,000	New York	\$ 812,000	\$ 3,066,000
Delaware	\$ 475,000	\$ 1,727,000	North Carolina	\$ 472,000	\$ 1,459,000
District of Columbia	\$ 984,000	\$ 2,915,000	North Dakota	\$ 755,000	\$ 1,810,000
Florida	\$ 584,000	\$ 2,671,000	Ohio	\$ 457,000	\$ 1,414,000
Georgia	\$ 518,000	\$ 1,761,000	Oklahoma	\$ 452,000	\$ 1,223,000
Hawaii	\$ 436,000	\$ 1,200,000	Oregon	\$ 494,000	\$ 1,554,000
Idaho	\$ 436,000	\$ 1,374,000	Pennsylvania	\$ 517,000	\$ 1,701,000
Illinois	\$ 603,000	\$ 2,574,000	Rhode Island	\$ 499,000	\$ 1,707,000
Indiana	\$ 468,000	\$ 1,426,000	South Carolina	\$ 447,000	\$ 1,069,000
Iowa	\$ 445,000	\$ 1,171,000	South Dakota	\$ 595,000	\$ 1,782,000
Kansas	\$ 517,000	\$ 1,744,000	Tennessee	\$ 497,000	\$ 1,683,000
Kentucky	\$ 424,000	\$ 1,222,000	Texas	\$ 666,000	\$ 1,965,000
Louisiana	\$ 539,000	\$ 1,444,000	Utah	\$ 511,000	\$ 1,486,000
Maine	\$ 448,000	\$ 1,162,000	Vermont	\$ 477,000	\$ 1,150,000
Maryland	\$ 621,000	\$ 1,712,000	Virginia	\$ 598,000	\$ 1,626,000
Massachusetts	\$ 719,000	\$ 2,850,000	Washington	\$ 580,000	\$ 1,935,000
Michigan	\$ 466,000	\$ 1,517,000	West Virginia	\$ 346,000	\$ 762,000
Minnesota	\$ 602,000	\$ 2,478,000	Wisconsin	\$ 498,000	\$ 1,702,000
Mississippi	\$ 376,000	\$ 1,053,000	Wyoming	\$ 530,000	\$ 3,021,000

Source: ITEP Microsimulation Model, March 2017