

Figure 1. Value of Health Insurance Standard Tax Deduction, by Income Level, 2007

Single Filers

Taxable Income Range		Marginal Tax Rate	Value of Income Tax Deduction to Single Filers	Value of Payroll Tax Deduction	Total Value of Tax Deductions*	Median Premiums less Income and Payroll Tax Deductions*
<u>Greater than:</u>	<u>But less than:</u>					
\$0	\$7,825	10%	\$750	\$574	\$1,324	\$2,918
\$7,825	\$31,850	15%	\$1,125	\$574	\$1,699	\$2,543
\$31,850	\$77,100	25%	\$1,875	\$574	\$2,449	\$1,793
\$77,100	\$160,850	28%	\$2,100	\$574	\$2,674	\$1,568
\$160,850	\$349,700	33%	\$2,475	\$574	\$3,049	\$1,193
\$349,700	and over	35%	\$2,625	\$574	\$3,199	\$1,043

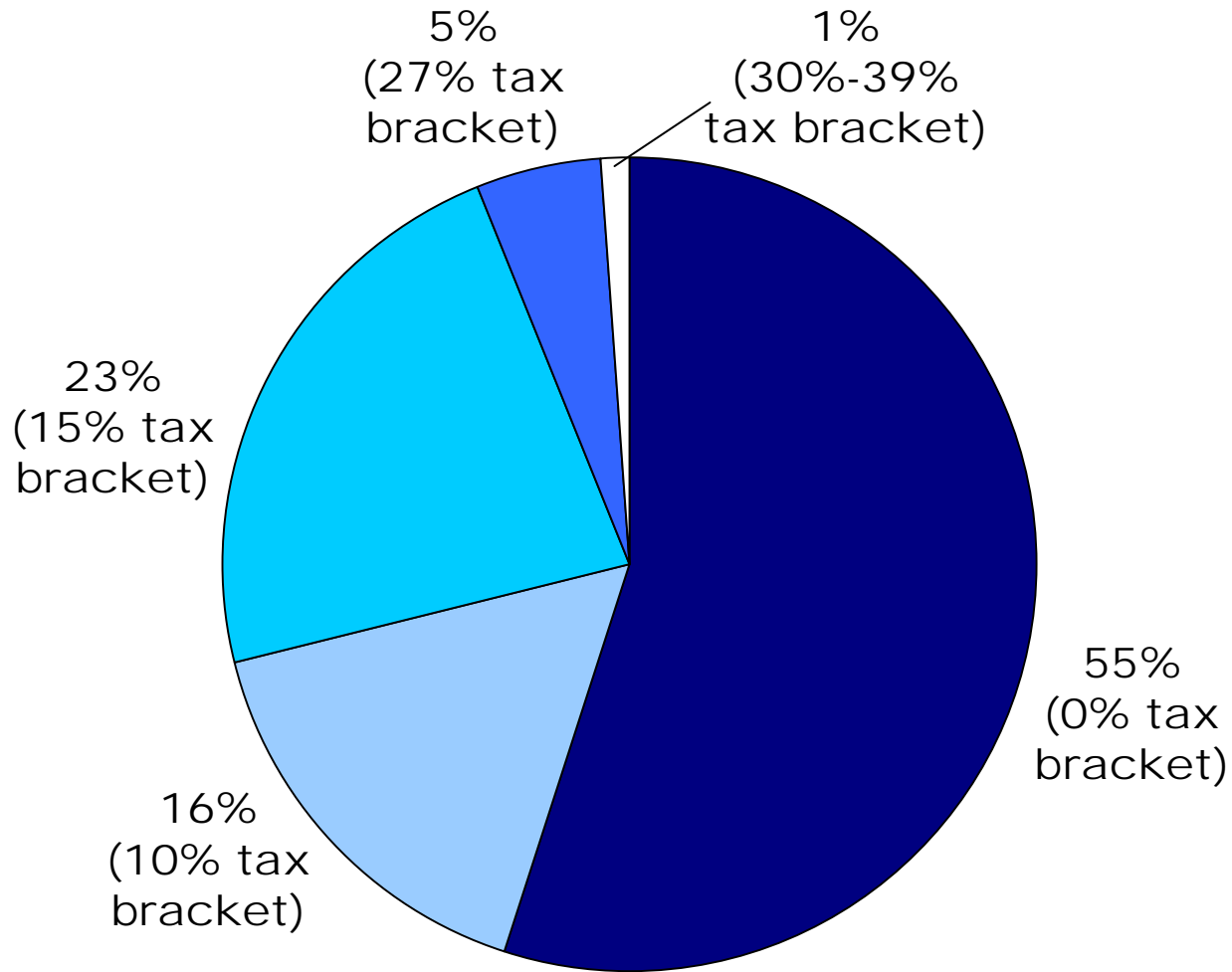
Married Filers

Taxable Income Range		Marginal Tax Rate	Value of Income Tax Deduction to Married Filers	Value of Payroll Tax Deduction	Total Value of Tax Deductions*	Median Premiums less Income and Payroll Tax Deductions*
<u>Greater than:</u>	<u>But less than:</u>					
\$0	\$15,650	10%	\$1,500	\$1,148	\$2,648	\$8,833
\$15,650	\$63,700	15%	\$2,250	\$1,148	\$3,398	\$8,083
\$63,700	\$128,500	25%	\$3,750	\$1,148	\$4,898	\$6,583
\$128,500	\$195,850	28%	\$4,200	\$1,148	\$5,348	\$6,133
\$195,850	\$349,700	33%	\$4,950	\$1,148	\$6,098	\$5,383
\$349,700	and over	35%	\$5,250	\$1,148	\$6,398	\$5,083

*Based on a median annual employer premium of \$4,242 for individuals and \$11,480 for families, and payroll taxes of 7.65%, in 2006

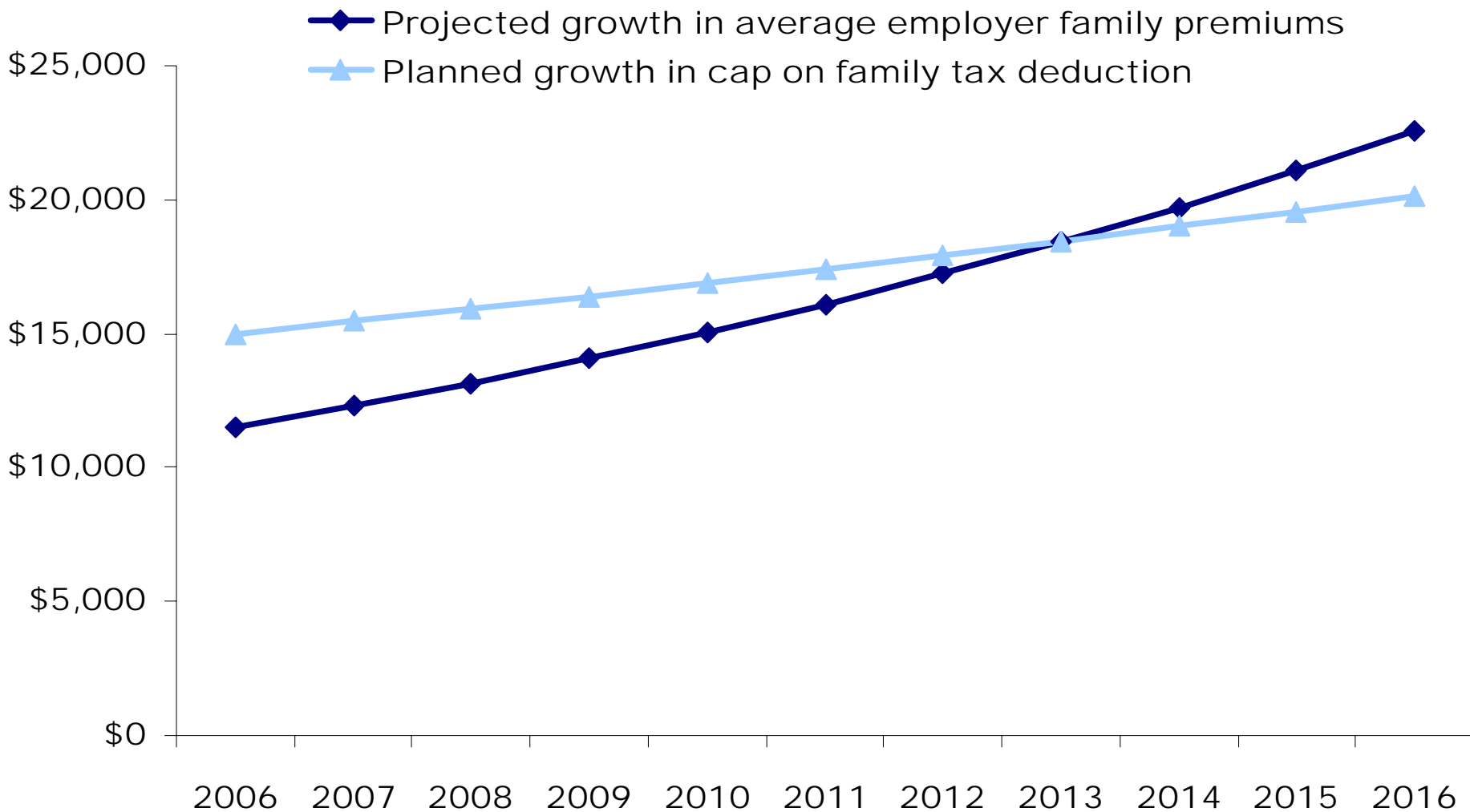
Source: Commonwealth Fund calculations based on 2007 tax data from the Tax Policy Center.

Figure 2. President's Proposal Won't Help the Uninsured for Whom Tax Benefits Are of Little Value: Income Tax Distribution of Uninsured



Source: S. A. Glied and D. K. Remler, *The Effect of Health Savings Accounts on Health Insurance Coverage* (New York: The Commonwealth Fund, April 2005).

Figure 3. Projected Increases in Average Family Health Insurance Premium and Cap on Tax Deductions



Source: Commonwealth Fund calculations.