

First question he had, similar to what you had Andrew investigate, for the filers who claimed the 40% exclusion in any year, 2012-2017, how many years did they take it?

Years with 40%	# Filers
1	7,428
2	2,404
3	1,143
4	748
5	590
6	498
Total	12,811

Similar to the data Andrew gave you, except that our query was more sophisticated in terms of matching records and included more years.

Second question, what's the average income of filers taking the 40%?

	Average AGI	Median AGI	Average VTTI	Median VTTI
40% Exclusion Year(s)	\$550,000	\$153,675	\$409,000	\$103,632
Non 40% Exclusion Years	\$207,000	\$88,000	\$182,000	\$61,011
All Years on Record	\$293,000	\$103,000	\$239,000	\$70,563

The point Kaj's trying to make here is that, yeah, in the years with the big capital gain their incomes are high, but outside of that they tend not be so high (so this is a different beast than something like the mortgage interest deduction). I included VTTI, which is after the gain, because Kaj was curious about what bracket(s) you would tweak if you were to tweak them to reduce the tax burden on this population. I included median because average doesn't tell you anything about the typical taxpayer experiencing the capital gain and income is always skewed right.