

Table T15-0239
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
Under Current Law and Donald Trump's Tax Reform Proposal
By Expanded Cash Income Percentile, 2017¹

Expanded Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Long-term Capital Gains			Qualified Dividends			Interest Income		
		Current Law	Trump Proposal	Change (Percentage Points)	Current Law	Trump Proposal	Change (Percentage Points)	Current Law	Trump Proposal	Change (Percentage Points)
Lowest Quintile	47,878	0.8	0.4	-0.3	0.3	0.2	-0.1	2.8	1.1	-1.7
Second Quintile	37,992	1.3	0.6	-0.7	0.9	0.4	-0.5	6.1	1.0	-5.2
Third Quintile	34,342	6.3	5.0	-1.3	7.5	5.3	-2.2	18.3	8.1	-10.2
Fourth Quintile	28,545	9.8	9.0	-0.8	11.0	10.6	-0.4	21.9	15.1	-6.9
Top Quintile	23,785	22.6	19.0	-3.6	22.0	18.8	-3.2	34.7	23.0	-11.7
All	173,829	20.7	17.5	-3.2	18.8	16.2	-2.6	27.4	17.9	-9.5
Addendum										
80-90	12,240	12.2	13.0	0.8	14.1	15.1	1.1	25.1	19.5	-5.6
90-95	5,942	14.2	13.3	-0.9	16.4	15.6	-0.8	28.1	20.3	-7.8
95-99	4,468	19.6	15.6	-4.0	22.6	17.7	-4.9	35.5	22.1	-13.4
Top 1 Percent	1,135	23.9	20.0	-3.9	24.0	20.1	-3.9	37.5	24.4	-13.1
Top 0.1 Percent	116	24.1	20.2	-3.9	24.0	20.3	-3.7	36.8	24.6	-12.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-3A).

(1) Calendar year. Baseline is current law (including provisions in the Protecting Americans from Tax Hikes Act of 2015 and the Consolidated Appropriations Act of 2016). We calculate effective marginal tax rates by adding \$1,000 to the income source and recomputing tax liability. Our computation includes the impact of the alternative minimum tax and the phase-in and phase-out of credits and other tax provisions. We assume that the increase in income does not change the reported amount of any deductions, exclusions, or other forms of income. Effective marginal tax rates are weighted by the appropriate income source. For a description of the Trump proposal, see TPC's "An Analysis of Donald Trump's Tax Plan."

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2015 dollars): 20% \$23,099; 40% \$45,153; 60% \$80,760; 80% \$142,601; 90% \$209,113; 95% \$295,756; 99% \$732,323; 99.9% \$3,769,396.