

Table T15-0178
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
Under Current Law and Gov. Bush's Tax Reform Proposal
By Expanded Cash Income Level, 2025¹

Expanded Cash Income Level (thousands of 2015 dollars) ²	Tax Units (thousands)	Individual Income Tax			Individual Income Tax plus Payroll Tax		
		Current Law	Bush Proposal	Change (Percentage Points)	Current Law	Bush Proposal	Change (Percentage Points)
Less than 10	12,335	-5.8	-7.0	-1.2	8.0	6.7	-1.3
10-20	21,437	0.9	-0.9	-1.8	14.7	12.8	-1.9
20-30	23,630	10.8	7.6	-3.2	24.7	21.3	-3.4
30-40	17,124	16.0	11.8	-4.2	29.8	25.4	-4.4
40-50	14,031	17.2	12.7	-4.5	30.9	26.2	-4.8
50-75	28,428	18.7	16.0	-2.8	32.3	29.3	-3.0
75-100	18,829	20.1	17.8	-2.3	33.8	31.1	-2.6
100-200	32,899	22.7	20.2	-2.5	35.5	32.6	-2.8
200-500	12,502	28.7	25.2	-3.5	36.8	33.1	-3.7
500-1,000	1,414	35.0	26.9	-8.1	39.5	31.3	-8.2
More than 1,000	983	39.3	27.2	-12.1	43.2	31.0	-12.2
All	185,081	25.1	20.7	-4.5	35.5	30.8	-4.7

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

(1) Calendar year. We calculate effective marginal tax rates by adding \$1,000 to wages and salaries 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 wages does not change the reported amount of any deductions, exclusions, or other forms of income. Effective marginal tax rates are weighted by wages and salaries. For a description of the Bush proposal, see TPC's "An Analysis of Governor Bush'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>