

Table T16-0028
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
Under Current Law and Ted Cruz'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			Combined Individual Income Tax, Payroll Tax, and Value-added Tax		
		Current Law	Cruz Proposal	Change (Percentage Points)	Current Law	Cruz Proposal	Change (Percentage Points)
Less than 10	12,331	-7.1	-7.2	-0.1	6.7	8.8	2.1
10-20	21,402	1.8	-2.6	-4.4	15.6	13.4	-2.2
20-30	23,605	12.6	5.1	-7.6	26.4	21.1	-5.4
30-40	17,155	16.9	11.0	-6.0	30.7	27.0	-3.7
40-50	14,004	17.7	11.9	-5.8	31.4	27.9	-3.5
50-75	28,403	18.8	10.2	-8.6	32.3	26.2	-6.1
75-100	18,884	20.3	10.3	-9.9	33.9	26.3	-7.6
100-200	32,894	22.7	10.7	-12.0	35.5	26.7	-8.8
200-500	12,505	28.7	10.1	-18.6	36.8	26.1	-10.7
500-1,000	1,413	34.9	10.2	-24.8	39.5	26.2	-13.3
More than 1,000	980	39.3	10.0	-29.3	43.2	26.0	-17.2
All	185,081	25.2	10.0	-15.3	35.6	26.0	-9.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0515-4).

(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 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 Cruz proposal, see TPC's "An Analysis of Ted Cruz'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>