

**Table T16-0024**  
**Effective Marginal Tax Rates (EMTR) On Wages and Salaries**  
**Under Current Law and Ted Cruz's Tax Reform Proposal**  
**By Expanded Cash Income Level, 2017<sup>1</sup>**

Expanded Cash Income Level (thousands of 2015 dollars) <sup>2</sup>	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)
<b>Less than 10</b>	14,725	-5.8	-3.5	2.4	7.9	12.5	4.6
<b>10-20</b>	25,414	0.9	4.2	3.3	14.7	20.2	5.4
<b>20-30</b>	22,395	11.5	10.3	-1.3	25.4	26.3	0.9
<b>30-40</b>	16,134	16.2	11.6	-4.6	30.0	27.6	-2.4
<b>40-50</b>	13,207	17.5	10.3	-7.3	31.2	26.3	-4.9
<b>50-75</b>	24,054	19.0	9.9	-9.1	32.6	25.9	-6.7
<b>75-100</b>	16,257	19.7	10.7	-8.9	33.4	26.7	-6.6
<b>100-200</b>	27,725	22.6	10.3	-12.3	34.7	26.3	-8.4
<b>200-500</b>	10,572	29.8	10.2	-19.6	36.7	26.2	-10.6
<b>500-1,000</b>	1,332	35.6	10.1	-25.5	39.9	26.1	-13.9
<b>More than 1,000</b>	727	39.3	9.8	-29.5	43.2	25.8	-17.4
<b>All</b>	173,829	24.6	9.8	-14.7	34.8	25.8	-8.9

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>