

Table T16-0051
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
Under Current Law and Secretary Clinton's Tax Proposals
By Expanded Cash Income Percentile, 2025¹

| Expanded Cash Income Percentiles ^{2,3} | Tax Units (thousands) | Long-term Capital Gains | | | Qualified Dividends | | | Interest Income | | |
|---|-----------------------|-------------------------|------------------|----------------------------|---------------------|------------------|----------------------------|-----------------|------------------|----------------------------|
| | | Current Law | Clinton Proposal | Change (Percentage Points) | Current Law | Clinton Proposal | Change (Percentage Points) | Current Law | Clinton Proposal | Change (Percentage Points) |
| Lowest Quintile | 48,631 | 0.6 | 0.6 | 0.0 | 0.3 | 0.3 | 0.0 | 3.4 | 3.4 | 0.0 |
| Second Quintile | 41,383 | 1.2 | 1.2 | 0.0 | 1.5 | 1.5 | 0.0 | 8.6 | 8.6 | 0.0 |
| Third Quintile | 37,251 | 8.3 | 8.3 | 0.0 | 9.5 | 9.5 | 0.0 | 20.9 | 20.9 | 0.0 |
| Fourth Quintile | 30,884 | 11.9 | 11.9 | 0.0 | 11.3 | 11.3 | 0.0 | 22.6 | 22.6 | 0.0 |
| Top Quintile | 25,428 | 23.1 | 31.8 | 8.7 | 22.5 | 26.8 | 4.3 | 36.3 | 38.7 | 2.5 |
| All | 185,081 | 21.5 | 29.2 | 7.7 | 19.4 | 22.8 | 3.4 | 29.2 | 30.8 | 1.6 |
| Addendum | | | | | | | | | | |
| 80-90 | 13,124 | 14.5 | 14.6 | 0.0 | 14.8 | 14.8 | 0.0 | 25.8 | 25.8 | 0.0 |
| 90-95 | 6,369 | 16.8 | 16.9 | 0.1 | 18.2 | 18.2 | 0.0 | 29.8 | 30.4 | 0.5 |
| 95-99 | 4,742 | 22.3 | 24.7 | 2.4 | 22.3 | 23.1 | 0.9 | 35.3 | 37.2 | 1.9 |
| Top 1 Percent | 1,192 | 24.0 | 34.3 | 10.3 | 24.0 | 30.0 | 6.0 | 39.1 | 42.4 | 3.2 |
| Top 0.1 Percent | 123 | 24.1 | 35.6 | 11.5 | 24.0 | 30.7 | 6.7 | 38.5 | 43.0 | 4.4 |

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 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 Clinton proposal, see TPC's "An Analysis of Hillary Clinton'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% \$26,101; 40% \$51,178; 60% \$87,777; 80% \$148,458; 90% \$217,212; 95% \$289,677; 99% \$846,843; 99.9% \$5,205,348.