

Table T16-0115
Effective Marginal Tax Rates on Wages, Salaries, and Capital Income
By Expanded Cash Income Level, 2018¹

Expanded Cash Income Level (thousands of 2016 dollars) ²	Tax Units (thousands)	Individual Income Tax ³				Individual Income Tax plus Payroll Tax ⁴
		Wages and Salaries	Long-term Capital Gains	Qualified Dividends	Interest Income	Wages and Salaries
Less than 10	13,490	-5.7	*	0.1	0.2	8.1
10-20	24,190	0.7	1.0	0.6	2.2	14.5
20-30	22,220	11.2	0.3	0.2	2.6	25.1
30-40	16,620	16.2	0.5	0.7	5.5	29.9
40-50	13,360	17.6	1.1	1.5	9.8	31.3
50-75	25,260	19.1	6.5	7.0	17.8	32.7
75-100	16,600	19.8	10.4	10.8	21.4	33.4
100-200	30,220	22.8	12.5	12.5	23.4	35.3
200-500	10,870	29.8	19.4	19.2	30.9	36.9
500-1,000	1,270	35.1	23.9	23.5	36.6	39.5
More than 1,000	710	39.4	24.1	24.1	37.2	43.3
All	175,990	24.9	21.6	19.3	27.3	35.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0516-1).

* Less than 0.05; ** Insufficient data; *** Less than 5 in absolute value.

(1) Calendar year. Current Law. Effective marginal tax rates are weighted by the appropriate income source.

(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) We calculate each tax unit's effective marginal individual income tax rate by adding \$1,000 to the income source and dividing the resulting tax change by that \$1,000. We then calculate the averages by weighting by the initial value of the appropriate income source.

(4) We calculate each tax unit's effective marginal individual plus payroll tax rate by adding \$1,000 to wages and salaries. We then divide the resulting change in individual income tax plus the resulting change in the employer and employee portions of payroll taxes for Social Security and Medicare by that \$1,000. We then calculate the averages by weighting by the initial value of wages and salaries. For married couples filing jointly, we assign a portion of the \$1,000 increase to each spouse based on their initial shares of the household's total wages and salaries.