

Table T16-0204
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
Under Current Law and House GOP Tax Plan
By Expanded Cash Income Percentile, 2025 ¹

Expanded Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Individual Income Tax			Individual Income Tax plus Payroll Tax		
		Current Law	House GOP Plan	Change (Percentage Points)	Current Law	House GOP Plan	Change (Percentage Points)
Lowest Quintile	49,720	4.9	4.8	-0.1	18.7	18.6	-0.1
Second Quintile	41,880	17.1	15.8	-1.3	30.8	29.6	-1.3
Third Quintile	37,070	19.3	18.3	-1.0	32.9	31.9	-1.0
Fourth Quintile	30,480	20.8	19.8	-0.9	34.4	33.5	-1.0
Top Quintile	25,270	31.3	28.7	-2.7	38.7	35.5	-3.2
All	185,660	25.3	23.5	-1.8	35.6	33.5	-2.1
Addendum							
80-90	13,170	25.1	25.7	0.7	36.5	37.1	0.6
90-95	6,150	27.7	25.6	-2.2	36.0	33.5	-2.5
95-99	4,750	32.8	30.5	-2.4	38.6	35.4	-3.2
Top 1 Percent	1,190	39.2	32.4	-6.8	43.1	35.4	-7.7
Top 0.1 Percent	130	39.6	32.4	-7.2	43.4	35.3	-8.0

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

(1) Calendar year. Baseline is current law. 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 proposal, see TPC's "An Analysis of the House GOP 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 2016 dollars): 20% \$26,900; 40% \$52,300; 60% \$89,300; 80% \$149,900; 90% \$219,700; 95% \$299,500; 99% \$774,300; 99.9% \$4,760,500.