Table T16-0234
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
Under Current Law and Secretary Clinton's Revised Tax Proposals
By Expanded Cash Income Percentile, 2025 [1]

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	49,720	0.7	0.7	0.0	0.4	0.4	0.0	3.4	3.4	0.0
Second Quintile	41,880	1.6	1.6	0.0	1.7	1.7	0.0	8.3	8.3	0.0
Third Quintile	37,070	8.1	8.1	0.0	11.4	11.4	0.0	20.1	20.1	0.0
Fourth Quintile	30,480	11.4	11.6	0.1	12.1	12.1	0.0	22.8	22.8	0.0
Top Quintile	25,270	23.4	31.8	8.5	22.6	27.0	4.4	35.9	37.8	1.9
All	185,660	21.7	29.3	7.6	19.9	23.4	3.5	28.4	29.6	1.2
Addendum										
80-90	13,170	14.0	14.0	0.0	14.7	14.7	0.0	25.6	25.6	0.0
90-95	6,150	18.1	19.2	1.1	18.5	19.1	0.6	29.4	30.0	0.7
95-99	4,750	23.1	24.5	1.4	22.9	24.1	1.2	35.4	36.7	1.2
Top 1 Percent	1,190	24.1	34.0	9.9	24.0	29.8	5.9	38.2	40.7	2.4
Top 0.1 Percent	130	24.1	34.5	10.4	23.9	30.4	6.5	37.4	40.6	3.2

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 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.

(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.