

Table T17-0090
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2027¹
Summary Table

Expanded Cash Income Percentile ^{2,3}	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends ⁴		Tax Units Paying Positive Individual Income Tax On Gains or Qualified Dividends				
		Percent Within Class	Average Gains and Dividends (\$)	Percent Within Class	Average Tax Paid on Gains and Dividends (\$)	Share of Positive Individual Income Tax on Gains and Dividends	Average Individual Income Tax Rate On Gains and Dividends ⁵	On All Other Income ⁶
Lowest Quintile	50,190	3.7	3,250	0.3	**	*	**	**
Second Quintile	42,290	9.1	4,810	1.9	320	0.1	7.6	4.2
Middle Quintile	36,880	16.1	6,620	9.2	790	1.2	10.1	14.2
Fourth Quintile	30,280	26.8	8,260	17.7	1,060	2.6	10.4	15.9
Top Quintile	25,810	49.0	81,910	44.0	18,950	96.1	21.0	30.2
All	186,640	17.6	36,560	11.3	10,630	100.0	20.1	28.6
Addendum								
80-90	13,370	37.8	12,120	31.2	1,710	3.2	12.6	17.6
90-95	6,290	49.8	17,300	45.5	2,720	3.5	15.0	19.9
95-99	4,930	68.3	39,500	65.7	7,730	11.2	19.2	26.5
Top 1 Percent	1,220	88.5	730,940	87.9	163,840	78.2	22.3	36.5
Top 0.1 Percent	120	96.3	4,476,840	96.1	997,590	52.5	22.3	38.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

* Non-zero value rounded to zero; ** Insufficient data

(1) Calendar year. Individual income tax on long-term capital gains and qualified dividends is calculated by comparing liability under current law to liability when qualified dividends and net long term gains in excess of net short-term losses are excluded from income and excluded from the base of the 3.8 percent net investment surtax enacted by the Affordable Care Act (ACA). For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(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 2017 dollars): 20% \$28,100; 40% \$54,700; 60% \$93,200; 80% \$154,900; 90% \$225,400; 95% \$304,600; 99% \$912,100; 99.9% \$5,088,900.

(4) Tax units reporting long-term positive gains and qualified dividends.

(5) Average individual income tax on long-term positive capital gains and qualified dividends as a percentage of gains and qualified dividends.

(6) Average individual income tax as a percentage of nongain taxable income.