

Table T17-0326
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
Under Current Law and the Conference Agreement on H.R. 1, The Tax Cuts and Jobs Act
By Expanded Cash Income Percentile, 2018¹

Expanded Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Long-term Capital Gains			Qualified Dividends			Interest Income		
		Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)	Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)	Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)
Lowest Quintile	48,780	1.4	1.6	0.2	0.5	0.3	-0.2	1.6	1.4	-0.2
Second Quintile	38,760	1.5	1.4	-0.1	1.0	0.9	0.0	7.0	6.0	-1.0
Third Quintile	34,280	7.2	7.1	-0.1	9.2	8.5	-0.7	18.1	15.2	-2.9
Fourth Quintile	28,870	10.4	10.9	0.5	11.0	11.2	0.2	22.5	19.3	-3.2
Top Quintile	24,300	22.7	22.1	-0.6	22.1	21.2	-0.9	34.0	32.7	-1.3
All	176,100	20.7	20.5	-0.2	19.4	18.7	-0.7	27.1	25.9	-1.2
Addendum										
80-90	12,490	14.4	14.4	0.1	14.5	14.5	0.0	24.6	22.1	-2.5
90-95	6,020	17.2	16.1	-1.1	16.7	15.5	-1.2	28.7	25.0	-3.7
95-99	4,650	23.3	20.3	-3.0	22.8	19.2	-3.7	35.1	30.5	-4.6
Top 1 Percent	1,140	23.7	23.6	-0.2	23.9	23.7	-0.2	36.7	37.1	0.4
Top 0.1 Percent	120	23.7	23.4	-0.3	23.9	23.7	-0.2	36.0	36.9	0.9

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

(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 2017 dollars): 20% \$25,000; 40% \$48,600; 60% \$86,100; 80% \$149,400; 90% \$216,800; 95% \$307,900; 99% \$732,800; 99.9% \$3,439,900.