

Table T17-0328
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
Under Current Law and the Conference Agreement on H.R. 1, The Tax Cuts and Jobs Act
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	Tax Cuts and Jobs Act	Change (Percentage Points)	Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)
Lowest Quintile	49,870	5.0	3.4	-1.6	18.8	17.2	-1.6
Second Quintile	41,500	16.8	14.6	-2.2	30.6	28.3	-2.2
Third Quintile	36,190	19.2	16.8	-2.4	32.8	30.4	-2.4
Fourth Quintile	29,960	20.7	18.1	-2.6	34.4	31.8	-2.6
Top Quintile	25,530	31.4	28.4	-3.0	39.2	36.1	-3.0
All	184,220	25.3	22.6	-2.7	35.8	33.1	-2.7
Addendum							
80-90	13,210	25.2	22.6	-2.6	37.3	34.7	-2.6
90-95	6,260	27.8	24.5	-3.3	36.5	33.2	-3.3
95-99	4,860	33.1	29.8	-3.3	39.1	35.8	-3.3
Top 1 Percent	1,200	39.3	36.2	-3.0	43.2	40.1	-3.0
Top 0.1 Percent	120	39.4	36.2	-3.2	43.2	40.0	-3.2

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 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 current-law wages
(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% \$27,300; 40% \$53,400; 60% \$91,700; 80% \$153,800; 90% \$224,400; 95% \$308,900; 99% \$837,800; 99.9% \$4,704,600.