

Table T18-0234
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2018 ¹
Summary Table

Expanded Cash Income Level (thousands of 2018 dollars) ²	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends ³		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 ⁴	On All Other Income ⁵
Less than 10	12,470	3.2	1,780	*	**	*	**	**
10-20	22,070	3.4	2,180	0.2	**	*	**	**
20-30	19,700	5.9	3,300	0.4	**	*	**	**
30-40	15,860	8.1	3,240	0.8	220	*	5.1	-13.1
40-50	13,810	10.6	3,860	2.5	250	*	6.0	4.0
50-75	25,290	15.0	5,440	6.4	510	0.4	7.5	9.7
75-100	16,840	22.5	6,590	13.5	760	0.9	9.0	12.5
100-200	29,800	32.1	9,200	21.8	1,330	4.6	11.1	13.4
200-500	12,610	54.3	23,420	49.7	3,670	12.1	14.6	17.5
500-1,000	1,620	77.8	67,260	75.6	12,570	8.1	18.2	24.4
More than 1,000	690	88.7	1,041,540	87.9	228,300	73.4	21.7	32.8
All	172,000	18.2	33,540	11.1	9,940	100.0	19.0	22.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0718-1).

* 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). Baseline is the law in place for 2018 as of 11/16/2018. 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) Tax units reporting long-term positive gains and qualified dividends.

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

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