

Table T18-0237
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2019 ¹
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	45,570	3.8	2,650	0.2	**	*	**	**
Second Quintile	37,950	8.5	3,710	1.4	340	0.1	7.7	-4.0
Middle Quintile	34,730	16.4	6,050	8.0	610	0.9	8.0	11.2
Fourth Quintile	29,190	27.7	8,320	17.1	1,160	2.9	10.4	13.3
Top Quintile	24,460	50.7	78,450	45.9	17,180	95.8	19.9	24.1
All	173,110	18.2	35,170	11.3	10,260	100.0	19.1	22.9
Addendum								
80-90	12,600	38.6	11,880	32.8	1,670	3.4	12.7	14.1
90-95	6,080	54.4	19,780	49.5	2,990	4.5	14.0	16.8
95-99	4,650	70.4	42,510	67.2	7,320	11.4	16.5	21.1
Top 1 Percent	1,140	85.0	736,590	84.1	161,100	76.5	21.7	32.1
Top 0.1 Percent	120	94.0	4,953,900	93.7	1,079,580	58.0	21.7	34.5

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 2019 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) 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 2018 dollars): 20% \$25,500; 40% \$50,000; 60% \$87,300; 80% \$157,900; 90% \$229,900; 95% \$334,900; 99% \$783,300; 99.9% \$3,452,300.

(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.