

Table T18-0240
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2026 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	11,190	3.4	2,150	*	**	*	**	**
10-20	18,820	3.7	3,240	0.3	**	*	**	**
20-30	19,590	5.4	3,470	0.4	**	*	**	**
30-40	16,990	7.2	3,710	1.2	280	*	9.4	-7.0
40-50	14,050	10.6	4,870	3.2	250	*	6.9	8.9
50-75	27,410	13.6	6,000	6.5	610	0.5	9.3	12.7
75-100	18,620	21.2	7,520	13.3	930	1.1	10.1	15.3
100-200	34,430	29.8	9,500	21.9	1,270	4.6	11.4	16.8
200-500	15,700	50.2	22,350	45.7	3,930	13.6	16.5	22.1
500-1,000	2,250	74.3	56,420	72.2	11,440	9.0	19.8	29.0
More than 1,000	860	86.2	963,830	85.4	200,060	71.0	20.6	36.3
All	181,110	18.5	35,670	12.2	9,380	100.0	18.8	27.2

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 2026 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.