

The PDF and Excel files contain an additional table showing information for tax units reporting net positive business income

Table T18-0250
Sources of Flow-Through Business Income by Expanded Cash Income Percentile, 2018
Baseline: Current Law

Expanded Cash Income Percentile ¹	Tax Units Reporting Net Income/Loss From:											
	Sole Proprietor ²				Partnership Income and S Corporation Income				Business Income ³			
	Number of Units		Net Income/Loss		Number of Units		Net Income/Loss		Number of Units		Net Income/Loss	
	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total
Lowest Quintile	6,310	23.5	46.8	14.5	390	4.6	1.5	0.2	6,870	17.7	48.5	5.0
Second Quintile	4,390	16.3	41.9	13.0	570	6.6	4.6	0.7	5,500	14.1	47.8	4.9
Middle Quintile	4,720	17.5	35.1	10.9	950	11.1	8.4	1.3	6,610	17.0	45.8	4.7
Fourth Quintile	5,240	19.5	45.0	13.9	1,810	21.2	23.9	3.8	8,250	21.2	70.1	7.2
Top Quintile	5,590	20.8	166.0	51.5	4,410	51.8	646.5	102.0	10,640	27.4	826.3	84.7
All	26,880	100.0	322.5	100.0	8,510	100.0	634.1	100.0	38,870	100.0	975.3	100.0
Addendum												
80-90	2,740	10.2	36.0	11.2	1,350	15.9	30.6	4.8	4,600	11.8	66.4	6.8
90-95	1,320	4.9	28.2	8.7	1,020	12.0	33.7	5.3	2,600	6.7	62.9	6.5
95-99	1,240	4.6	58.3	18.1	1,380	16.2	120.4	19.0	2,590	6.7	183.5	18.8
Top 1 Percent	300	1.1	43.5	13.5	670	7.9	461.7	72.8	840	2.2	513.5	52.7
Top 0.1 Percent	30	0.1	10.1	3.1	90	1.1	235.0	37.1	100	0.3	246.9	25.3

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

Note: Calendar year. Baseline is current law. Tax units that are dependents of other tax units are excluded from the analysis.

(1) 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% \$25,100; 40% \$49,300; 60% \$85,900; 80% \$153,300; 90% \$222,900; 95% \$319,100; 99% \$754,800; 99.9% \$3,318,600. 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>.

(2) Sole proprietor income includes Schedule C and Schedule F income.

(3) Includes all tax units reporting non-zero business income. Business income includes income or loss from a) non-farm sole proprietors (Schedule C); b) farming (Schedule F); c) rental real estate (Schedule E Part I); d) partnerships (Schedule E Part II); and e) S corporations (Schedule E Part II).

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	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total	Number (thousands)	Percent of Total	Amount (\$billions)	Percent of Total
Lowest Quintile	5,810	29.4	49.9	12.2	250	4.4	2.3	0.3	6,190	23.4	52.7	4.4
Second Quintile	3,480	17.6	49.6	12.2	400	7.2	6.3	0.8	4,170	15.8	58.6	4.8
Middle Quintile	3,220	16.3	46.8	11.5	610	10.9	11.3	1.5	4,280	16.2	64.7	5.3
Fourth Quintile	3,340	16.9	61.4	15.1	1,140	20.4	30.2	4.0	4,890	18.5	100.7	8.3
Top Quintile	3,710	18.8	195.4	47.9	3,110	55.7	703.2	92.4	6,650	25.2	923.8	76.2
All	19,740	100.0	407.7	100.0	5,590	100.0	761.4	100.0	26,420	100.0	1,212.1	100.0
Addendum												
80-90	1,770	9.0	45.0	11.0	910	16.3	35.8	4.7	2,730	10.3	86.5	7.1
90-95	880	4.5	33.5	8.2	680	12.2	39.0	5.1	1,570	5.9	77.4	6.4
95-99	840	4.3	65.1	16.0	1,010	18.1	131.0	17.2	1,720	6.5	204.0	16.8
Top 1 Percent	210	1.1	51.9	12.7	510	9.1	497.3	65.3	630	2.4	555.8	45.9
Top 0.1 Percent	20	0.1	13.9	3.4	60	1.1	258.7	34.0	70	0.3	273.2	22.5

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

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