

Table T20-0129
Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2019
Baseline: Current Law

Statutory Marginal Income Tax Rate (Percent) ¹	Tax Units Reporting Net Income/Loss From:											
	Sole Proprietor ²				Partnership Income and S Corporation Income ³				Business Income ⁴			
	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
Non-filers	**	**	**	**	**	**	**	**	**	**	**	**
0%	7,560	27.7	31.9	9.5	950	11.5	-31.3	-4.7	9,050	23.1	-2.0	*
10%	4,120	15.1	47.3	14.1	610	7.4	4.1	0.6	5,090	13.0	52.9	5.1
12%	8,110	29.8	77.1	23.0	2,100	25.5	24.9	3.7	11,420	29.1	103.9	10.1
22%	4,880	17.9	64.1	19.1	2,080	25.2	53.0	7.9	8,250	21.0	118.9	11.6
22%	1,490	5.5	44.1	13.2	1,240	15.0	68.6	10.2	3,140	8.0	116.3	11.3
26% (AMT)	20	0.1	-0.7	-0.2	50	0.6	-11.9	-1.8	60	0.2	-14.1	-1.4
28% (AMT)	20	0.1	1.4	0.4	50	0.6	1.3	0.2	60	0.2	2.6	0.3
32%	210	0.8	11.3	3.4	260	3.2	29.8	4.4	470	1.2	42.7	4.2
35%	250	0.9	17.1	5.1	410	4.9	73.5	10.9	660	1.7	94.0	9.1
37.0%	210	0.8	39.8	11.9	520	6.3	462.7	68.6	640	1.6	512.8	49.8
All	27,270	100.0	335.1	100.0	8,260	100.0	674.6	100.0	39,230	100.0	1030.0	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

Note: Calendar year. Baseline is the law in place for 2019 as of March 17, 2020. Tax units that are dependents of other tax units are excluded from the analysis.

* Non-zero value rounded to zero; ** Insufficient data.

(1) Statutory rate is based on taxable income net of capital gains and qualified dividends.

(2) Sole proprietor income includes Schedule C and Schedule F income or loss, but excludes rental real estate (Schedule E Part I), partnerships (Schedule E Part II), and S corporations (Schedule E Part II) income or loss.

(3) Partnership income and S Corporation income includes income or loss from partnerships (Schedule E Part II) and S corporations (Schedule E Part II), but excludes Schedule C, Schedule F, and rental real estate (Schedule E Part I) income or loss.

(4) 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).

Table T20-0129
Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2019
Baseline: Current Law

Statutory Marginal Income Tax Rate (Percent) ¹	Tax Units Reporting Net Positive Income From:											
	Sole Proprietor ²				Partnership Income and S Corporation Income ³				Business Income ⁴			
	Number of Units		Positive Income		Number of Units		Positive Income		Number of Units		Positive Income	
	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
Non-filers	**	**	**	**	**	**	**	**	**	**	**	**
0%	6,350	32.0	60.7	14.2	400	7.5	10.5	1.3	7,090	26.9	72.0	5.6
10%	3,310	16.7	54.3	12.7	400	7.4	6.2	0.8	3,920	14.9	63.2	4.9
12%	5,270	26.6	100.1	23.4	1,350	24.9	32.1	4.0	7,040	26.7	142.3	11.1
22%	3,100	15.6	80.3	18.7	1,380	25.6	60.5	7.5	4,770	18.1	152.8	11.9
22%	930	4.7	50.1	11.7	890	16.5	74.4	9.2	1,830	6.9	134.0	10.4
26% (AMT)	10	0.1	1.3	0.3	20	0.4	2.8	0.4	30	0.1	3.3	0.3
28% (AMT)	20	0.1	2.9	0.7	30	0.6	16.2	2.0	40	0.2	19.1	1.5
32%	140	0.7	12.4	2.9	200	3.7	30.9	3.8	320	1.2	45.1	3.5
35%	160	0.8	19.1	4.5	320	5.8	75.9	9.4	460	1.8	98.8	7.7
37.0%	150	0.8	45.3	10.6	410	7.6	499.7	61.8	500	1.9	552.7	43.0
All	19,820	100.0	428.3	100.0	5,410	100.0	809.2	100.0	26,370	100.0	1285.2	100.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

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(4) 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).