

Table T20-0131
Sources of Flow-Through Business Income by Expanded Cash Income Percentile, 2019
Baseline: Current Law

Expanded Cash Income Percentile 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
Lowest Quintile	6,210	23.4	47.4	13.5	350	4.5	1.4	0.2	6,740	17.7	48.7	4.6
Second Quintile	4,420	16.7	43.2	12.3	520	6.6	3.8	0.6	5,540	14.5	48.5	4.5
Middle Quintile	4,780	18.0	37.3	10.6	940	11.8	8.7	1.2	6,690	17.5	48.7	4.6
Fourth Quintile	5,330	20.1	43.0	12.2	1,810	22.9	24.0	3.4	8,370	21.9	68.1	6.4
Top Quintile	5,810	21.9	181.1	51.5	4,290	54.2	687.4	98.4	10,850	28.4	883.8	82.5
All	27,270	100.0	335.1	100.0	8,260	100.0	674.6	100.0	39,230	100.0	1,030.0	100.0
Addendum												
80-90	2,910	10.9	40.2	11.4	1,270	16.1	27.9	4.0	4,740	12.4	68.0	6.4
90-95	1,320	5.0	27.8	7.9	990	12.5	34.7	5.0	2,600	6.8	63.6	5.9
95-99	1,280	4.8	61.7	17.6	1,320	16.7	123.8	17.7	2,630	6.9	191.8	17.9
Top 1 Percent	300	1.1	51.3	14.6	710	9.0	501.0	71.7	880	2.3	560.5	52.3
Top 0.1 Percent	30	0.1	12.3	3.5	100	1.2	233.5	33.4	110	0.3	247.7	23.1

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.

(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 2019 dollars): 20% \$25,300; 40% \$50,700; 60% \$91,200; 80% \$163,600; 90% \$239,600; 95% \$339,200; 99% \$818,700; 99.9% \$3,803,800. 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 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 T20-0131
Sources of Flow-Through Business Income by Expanded Cash Income Percentile, 2019
Baseline: Current Law

Expanded Cash Income Percentile 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
Lowest Quintile	5,710	29.1	50.5	11.9	220	4.2	2.0	0.3	6,060	23.2	53.1	4.2
Second Quintile	3,520	18.0	50.5	11.9	350	6.6	5.2	0.7	4,190	16.0	58.7	4.6
Middle Quintile	3,180	16.2	50.1	11.8	600	11.2	11.6	1.5	4,260	16.3	68.9	5.4
Fourth Quintile	3,330	17.0	61.0	14.4	1,130	21.3	30.7	3.8	4,850	18.6	101.7	8.0
Top Quintile	3,860	19.7	211.9	49.9	3,020	56.8	751.9	93.8	6,770	25.9	992.0	77.8
All	19,820	100.0	428.3	100.0	5,410	100.0	809.2	100.0	26,370	100.0	1,285.2	100.0
Addendum												
80-90	1,890	9.6	49.2	11.6	850	15.9	33.4	4.2	2,800	10.7	88.6	7.0
90-95	880	4.5	33.4	7.9	660	12.5	39.8	5.0	1,570	6.0	78.4	6.2
95-99	870	4.5	69.3	16.3	980	18.4	133.4	16.6	1,750	6.7	212.2	16.6
Top 1 Percent	220	1.1	60.0	14.1	530	10.0	545.4	68.0	660	2.5	612.8	48.1
Top 0.1 Percent	20	0.1	16.5	3.9	70	1.2	261.7	32.6	70	0.3	279.0	21.9

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

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