

Table T20-0159
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2025 ¹
Summary Table

Expanded Cash Income Level (thousands of 2019 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	10,800	3.0	2,060	*	**	*	**	**
10-20	19,120	3.3	3,320	0.2	**	*	**	**
20-30	20,170	4.7	3,110	0.3	**	*	**	**
30-40	16,360	6.0	3,520	0.7	440	*	10.8	-31.6
40-50	13,630	9.7	4,800	2.6	220	*	5.7	5.8
50-75	26,580	12.8	5,490	5.1	510	0.3	8.2	10.2
75-100	18,290	19.2	7,240	11.8	850	0.9	9.4	12.7
100-200	34,470	27.5	9,740	19.2	1,360	4.3	11.4	13.8
200-500	17,800	46.2	21,640	41.3	3,480	12.1	14.8	17.5
500-1,000	2,460	73.9	56,610	71.3	10,370	8.6	17.7	24.1
More than 1,000	980	85.9	859,350	85.2	185,880	73.3	21.5	32.7
All	182,030	17.5	37,030	11.4	10,270	100.0	19.0	23.5

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

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

(1) Calendar year. Baseline is current law for 2025 as of March 17, 2020. 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). 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.