

Table T21-0210
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 2020 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	10,190	2.3	2,410	*	**	*	**	**
10-20	21,670	3.1	2,320	0.1	**	*	**	**
20-30	20,160	5.7	3,220	0.3	**	*	**	**
30-40	16,560	8.8	4,190	1.3	160	*	4.7	-4.6
40-50	13,910	11.3	3,970	3.2	230	*	6.4	8.6
50-75	25,710	15.2	6,480	7.0	530	0.4	6.6	12.1
75-100	19,220	21.4	7,910	13.1	780	0.8	8.3	14.4
100-200	34,550	28.2	11,380	19.2	1,360	3.8	9.8	16.2
200-500	18,260	47.0	22,690	42.8	3,790	12.4	15.7	21.5
500-1,000	2,530	73.7	57,910	71.6	11,940	9.0	20.1	28.5
More than 1,000	970	86.4	966,830	85.7	207,190	72.1	21.4	36.2
All	185,260	18.7	38,710	12.0	10,780	100.0	19.1	27.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is current law for 2026 as of July 19, 2021. 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.