

**Table T21-0213**  
**Individual Income Tax on Long-Term Capital Gains and Qualified Dividends**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2031 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends <sup>4</sup>		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 <sup>5</sup>	On All Other Income <sup>6</sup>
<b>Lowest Quintile</b>	49,010	4.0	3,290	0.3	**	*	**	**
<b>Second Quintile</b>	42,020	11.3	5,470	3.5	350	0.2	6.4	8.8
<b>Middle Quintile</b>	40,460	19.0	8,750	11.1	810	1.4	7.9	14.3
<b>Fourth Quintile</b>	32,960	27.4	13,050	19.0	1,480	3.6	9.6	16.3
<b>Top Quintile</b>	26,630	49.1	99,840	45.7	20,210	94.8	19.0	28.9
<b>All</b>	192,590	19.2	42,710	12.7	10,580	100.0	18.0	27.2
<b>Addendum</b>								
<b>80-90</b>	13,690	37.4	19,420	32.9	2,460	4.3	12.2	18.5
<b>90-95</b>	6,700	52.3	28,240	49.6	4,810	6.2	16.5	22.1
<b>95-99</b>	5,010	67.9	51,880	65.9	10,190	13.0	19.2	27.4
<b>Top 1 Percent</b>	1,230	85.1	889,050	84.3	178,640	71.4	19.9	35.8
<b>Top 0.1 Percent</b>	130	93.5	5,552,260	93.2	1,094,830	49.2	19.7	37.9

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 2031 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) 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 2020 dollars): 20% \$30,200; 40% \$58,900; 60% \$104,500; 80% \$190,100; 90% \$278,700; 95% \$405,500; 99% \$921,000; 99.9% \$4,297,900.

(4) Tax units reporting long-term positive gains and qualified dividends.

(5) Average individual income tax on long-term positive capital gains and qualified dividends as a percentage of gains and qualified dividends.

(6) Average individual income tax as a percentage of nongain taxable income.