

Table T21-0219
Distribution of Tax Units with Business Income by Statutory Marginal Tax Rate, 2021

Statutory Marginal Income Tax Rate ¹	All Tax Units		Tax Units with Business Income ²			Percent of Tax Units with Business Income					Tax Units with Business Income		Business Income as Percent of Total AGI of Bracket
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Total	Percent of Bracket	Less than 0	Greater than 0	Greater than 10% of AGI	Greater than 25% of AGI	Greater than 50% of AGI	Amount (\$ billions)	Average (\$)	
Non-filers	27,110	15.2	**	**	**	**	**	**	**	**	**	**	**
0%	28,530	16.0	8,070	21.8	28.3	8.0	20.3	17.9	16.4	14.7	-68.3	-8,460	-142.7
10%	23,500	13.2	4,760	12.9	20.3	4.6	15.6	13.2	11.0	8.9	49.1	10,300	7.6
12%	53,860	30.2	10,450	28.3	19.4	7.2	12.2	7.0	4.6	2.6	90.3	8,640	2.9
22%	32,150	18.0	7,840	21.2	24.4	9.4	15.0	7.2	4.6	2.6	134.3	17,140	3.5
24%	9,500	5.3	3,290	8.9	34.6	13.5	21.2	11.4	7.9	4.8	137.0	41,630	6.6
26% (AMT)	90	0.1	60	0.2	75.2	42.2	32.9	17.6	14.6	3.6	-23.9	-368,390	-9.3
28% (AMT)	90	0.1	60	0.2	71.3	28.8	42.5	22.7	15.2	7.7	0.1	1,270	*
33%	1,320	0.7	550	1.5	41.8	12.5	29.3	17.3	12.5	8.0	47.7	86,250	10.4
35%	1,500	0.8	820	2.2	54.4	15.8	38.7	25.5	21.0	15.1	123.8	151,350	17.0
37.0%	970	0.5	720	2.0	74.7	14.7	59.9	44.6	38.2	30.4	694.1	959,850	31.5
All	178,610	100.0	36,950	100.0	20.7	6.8	13.9	9.4	7.4	5.5	1,185.8	32,090	8.6

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

Note: Calendar year. Baseline is the law in place for 2021 as of September 2, 2021. 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) 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).