

**Table T21-0221**  
**Sources of Flow-Through Business Income by Expanded Cash Income Percentile, 2021**  
**Baseline: Current Law**

Expanded Cash Income Percentile <sup>1</sup>	Tax Units Reporting Net Income/Loss From:											
	Sole Proprietor <sup>2</sup>				Partnership Income and S Corporation Income <sup>3</sup>				Business Income <sup>4</sup>			
	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
<b>Lowest Quintile</b>	5,190	21.2	40.0	9.7	270	3.4	0.1	*	5,620	15.8	39.7	3.1
<b>Second Quintile</b>	4,270	17.4	41.9	10.1	470	6.1	2.0	0.2	5,370	15.1	44.9	3.5
<b>Middle Quintile</b>	4,600	18.8	35.2	8.5	910	11.8	6.5	0.8	6,470	18.2	45.3	3.6
<b>Fourth Quintile</b>	4,910	20.1	47.5	11.5	1,700	22.1	19.8	2.4	7,810	21.9	68.9	5.4
<b>Top Quintile</b>	5,490	22.4	251.0	60.8	4,360	56.5	837.1	100.5	10,390	29.1	1,104.1	87.1
<b>All</b>	<b>25,330</b>	<b>100.0</b>	<b>377.6</b>	<b>100.0</b>	<b>8,190</b>	<b>100.0</b>	<b>786.1</b>	<b>100.0</b>	<b>36,950</b>	<b>100.0</b>	<b>1,185.8</b>	<b>100.0</b>
<b>Addendum</b>												
<b>80-90</b>	2,570	10.5	46.1	11.2	1,250	16.2	30.3	3.6	4,310	12.1	74.5	5.9
<b>90-95</b>	1,340	5.5	40.9	9.9	980	12.7	34.2	4.1	2,550	7.2	75.9	6.0
<b>95-99</b>	1,250	5.1	93.3	22.6	1,420	18.4	142.2	17.1	2,640	7.4	241.7	19.1
<b>Top 1 Percent</b>	330	1.4	70.6	17.1	710	9.2	630.4	75.7	880	2.5	711.9	56.2
<b>Top 0.1 Percent</b>	40	0.1	14.3	3.5	100	1.3	330.5	39.7	110	0.3	348.0	27.5

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

(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 2020 dollars): 20% \$27,900; 40% \$55,100; 60% \$97,700; 80% \$178,100; 90% \$259,000; 95% \$372,600; 99% \$882,500; 99.9% \$4,052,100. 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 T21-0221**  
**Sources of Flow-Through Business Income by Expanded Cash Income Percentile, 2021**  
**Baseline: Current Law**

Expanded Cash Income Percentile <sup>1</sup>	Tax Units Reporting Net Positive Income From:											
	Sole Proprietor <sup>2</sup>				Partnership Income and S Corporation Income <sup>3</sup>				Business Income <sup>4</sup>			
	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
<b>Lowest Quintile</b>	4,720	25.8	44.6	8.9	150	2.9	1.4	0.1	4,980	20.3	46.4	3.0
<b>Second Quintile</b>	3,450	18.8	51.8	10.3	290	5.6	3.9	0.4	4,070	16.6	58.7	3.8
<b>Middle Quintile</b>	3,060	16.7	51.9	10.4	530	10.4	10.7	1.1	4,070	16.6	70.9	4.6
<b>Fourth Quintile</b>	3,230	17.6	66.8	13.3	1,040	20.4	28.3	2.9	4,720	19.2	106.4	7.0
<b>Top Quintile</b>	3,870	21.1	285.8	57.0	3,090	60.6	934.2	95.4	6,710	27.3	1,248.7	81.5
<b>All</b>	<b>18,520</b>	<b>100.0</b>	<b>506.1</b>	<b>100.0</b>	<b>5,220</b>	<b>100.0</b>	<b>989.3</b>	<b>100.0</b>	<b>24,780</b>	<b>100.0</b>	<b>1,544.1</b>	<b>100.0</b>
<b>Addendum</b>												
<b>80-90</b>	1,780	9.7	55.8	11.1	850	16.7	37.9	3.9	2,630	10.7	98.7	6.4
<b>90-95</b>	940	5.1	46.7	9.3	680	13.2	42.1	4.3	1,620	6.6	94.3	6.2
<b>95-99</b>	910	5.0	101.1	20.2	1,030	20.1	154.9	15.8	1,790	7.3	266.7	17.4
<b>Top 1 Percent</b>	240	1.3	82.3	16.4	540	10.6	699.3	71.4	670	2.7	789.1	51.5
<b>Top 0.1 Percent</b>	20	0.1	20.4	4.1	70	1.3	382.2	39.0	70	0.3	403.0	26.3

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.

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(2) Sole proprietor income includes Schedule C and Schedule F income, but excludes rental real estate (Schedule E Part I), partnerships (Schedule E Part II), and S corporations (Schedule E Part II) income.

(3) Partnership income and S Corporation income includes income 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.

(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).