

Table T21-0222
Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2021
Baseline: Current Law

Statutory Marginal Income Tax Rate (Percent) ¹	Tax Units Reporting Net Income/Loss From:											
	Sole Proprietor ²				Partnership Income and S Corporation Income ³				Business Income ⁴			
	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
Non-filers	**	**	**	**	**	**	**	**	**	**	**	**
0%	6,530	25.8	-0.2	*	1,080	13.2	-64.7	-8.2	8,070	21.8	-68.3	-5.8
10%	3,890	15.4	47.1	12.5	500	6.1	1.0	0.1	4,760	12.9	49.1	4.1
12%	7,410	29.3	71.6	19.0	1,870	22.8	16.3	2.1	10,450	28.3	90.3	7.6
22%	4,700	18.6	82.1	21.8	1,970	24.1	49.2	6.3	7,840	21.2	134.3	11.3
22%	1,590	6.3	65.7	17.4	1,310	16.0	70.1	8.9	3,290	8.9	137.0	11.6
26% (AMT)	20	0.1	-0.9	-0.3	50	0.6	-21.5	-2.7	70	0.2	-23.9	-2.0
28% (AMT)	20	0.1	0.5	0.1	40	0.5	-0.8	-0.1	60	0.2	0.1	*
32%	260	1.0	13.9	3.7	310	3.8	31.8	4.1	550	1.5	47.7	4.0
35%	330	1.3	35.6	9.4	480	5.9	84.4	10.7	820	2.2	123.8	10.4
37.0%	260	1.0	60.4	16.0	580	7.1	620.1	78.9	720	2.0	694.1	58.5
All	25,330	100.0	377.6	100.0	8,190	100.0	786.1	100.0	36,950	100.0	1185.8	100.0

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) 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 T21-0222
Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2021
Baseline: Current Law

Statutory Marginal Tax Rate (Percent) ¹	Tax Units Reporting Net Positive Income From:											
	Sole Proprietor ²				Partnership Income and S Corporation Income ³				Business Income ⁴			
	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
Non-filers	**	**	**	**	**	**	**	**	**	**	**	**
0%	5,140	27.8	52.8	10.4	390	7.4	13.2	1.3	5,790	23.4	64.4	4.2
10%	3,200	17.3	55.0	10.9	300	5.7	4.6	0.5	3,670	14.8	62.1	4.0
12%	4,970	26.9	99.3	19.6	1,120	21.5	26.1	2.6	6,570	26.5	136.1	8.8
22%	3,160	17.1	98.5	19.5	1,330	25.4	58.6	5.9	4,810	19.4	170.5	11.0
22%	1,080	5.8	72.7	14.4	950	18.1	78.7	8.0	2,010	8.1	160.1	10.4
26% (AMT)	10	0.1	1.8	0.4	20	0.4	2.5	0.3	30	0.1	3.2	0.2
28% (AMT)	10	0.1	2.9	0.6	30	0.5	21.4	2.2	40	0.2	24.3	1.6
32%	190	1.0	15.0	3.0	250	4.8	33.5	3.4	390	1.6	51.0	3.3
35%	240	1.3	38.3	7.6	370	7.2	87.3	8.8	580	2.4	129.9	8.4
37.0%	190	1.0	68.0	13.4	480	9.1	663.2	67.0	580	2.3	740.7	48.0
All	18,520	100.0	506.1	100.0	5,220	100.0	989.3	100.0	24,780	100.0	1544.1	100.0

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

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(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).