

Table T23-0005
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2018 ¹
Summary Table

Expanded Cash Income Level (thousands of 2022 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	9,300	2.4	1,850	*	**	*	**	**
10-20	20,100	2.6	1,610	0.1	610	*	19.1	-200.2
20-30	18,150	5.2	2,860	0.2	580	*	8.5	-206.9
30-40	14,980	7.5	3,450	0.2	1,520	*	13.6	-141.1
40-50	13,080	10.9	4,070	1.1	180	*	3.5	4.4
50-75	24,640	13.4	4,890	2.5	490	0.2	5.1	5.6
75-100	17,550	20.0	6,720	6.4	750	0.5	5.9	10.5
100-200	32,510	27.5	9,400	9.8	1,380	2.7	7.3	12.4
200-500	16,850	47.6	19,550	26.0	3,460	9.3	10.8	16.7
500-1,000	2,210	75.4	59,580	63.9	9,580	8.3	13.8	22.5
More than 1,000	940	86.5	874,300	81.6	167,620	78.9	18.1	31.0
All	171,540	18.0	36,580	6.9	13,900	100.0	15.8	23.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

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

(1) Calendar year. Baseline is current law for 2018 as of December 28, 2022. Does not include provisions enacted by the Secure 2.0 Act, which is part of the Consolidated Appropriations Act signed into law on December 29, 2022. 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.