

Table T23-0017
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Level, 2025 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	8,100	2.5	2,360	*	**	*	**	**
10-20	19,300	2.5	2,070	0.2	**	*	**	**
20-30	18,950	5.2	3,080	0.8	**	*	**	**
30-40	15,980	7.5	4,330	1.9	180	*	7.1	1.6
40-50	14,000	9.6	5,070	4.0	240	0.1	5.3	7.0
50-75	26,140	13.5	6,100	7.9	490	0.4	7.9	8.7
75-100	19,300	18.4	8,560	14.8	820	0.9	9.5	10.7
100-200	36,330	26.8	11,930	23.9	1,480	4.8	12.1	12.3
200-500	20,510	45.1	23,970	42.8	4,020	13.0	16.3	16.8
500-1,000	2,960	72.5	56,280	71.2	11,400	8.9	20.0	23.0
More than 1,000	1,170	85.3	872,520	84.9	195,790	71.5	22.3	31.9
All	184,260	18.4	42,040	14.4	10,220	100.0	19.9	22.5

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 2025 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.