

Table T23-0028
Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2022
Baseline: Current Law

Tax Units Reporting Net Income/Loss From:												
Statutory Marginal Income Tax Rate (Percent) ¹	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%	6,620	25.3	3.2	0.8	1,050	12.3	-68.3	-8.2	8,130	21.3	-68.7	-5.4
10%	4,040	15.4	53.0	12.9	530	6.2	1.0	0.1	4,910	12.9	55.3	4.4
12%	7,460	28.5	76.4	18.6	1,810	21.2	16.4	2.0	10,430	27.4	97.5	7.7
22%	5,000	19.1	88.3	21.5	2,140	25.1	48.8	5.9	8,250	21.6	139.4	11.0
22%	1,740	6.6	64.6	15.7	1,340	15.7	73.6	8.9	3,550	9.3	140.1	11.1
26% (AMT)	20	0.1	-1.0	-0.2	50	0.6	-23.5	-2.8	70	0.2	-26.0	-2.1
28% (AMT)	20	0.1	2.2	0.5	50	0.6	-2.9	-0.4	70	0.2	-0.4	*
32%	300	1.1	14.6	3.6	350	4.1	36.1	4.3	670	1.8	52.0	4.1
35%	380	1.5	37.6	9.2	530	6.2	93.2	11.2	890	2.3	134.5	10.6
37.0%	300	1.1	70.1	17.1	680	8.0	657.6	79.0	850	2.2	742.4	58.6
All	26,190	100.0	410.6	100.0	8,560	100.0	832.0	100.0	38,130	100.0	1268.1	100.0

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

Note: Calendar year. Tabulations are under current law and include both filing and non-filing units but exclude those that are dependents of other tax units.

* 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).

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Sources of Flow-Through Business Income by Statutory Marginal Tax Rate, 2022
Baseline: Current Law

Statutory Marginal Income 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%	5,230	27.4	55.8	10.0	360	6.6	13.6	1.3	5,820	22.8	67.1	4.0
10%	3,370	17.7	63.2	11.4	310	5.7	4.8	0.5	3,880	15.2	70.2	4.2
12%	4,970	26.0	108.0	19.4	1,130	20.9	28.2	2.7	6,580	25.8	148.5	8.9
22%	3,310	17.4	110.6	19.9	1,380	25.5	61.4	5.8	4,990	19.5	184.7	11.1
22%	1,160	6.1	73.6	13.2	950	17.5	82.9	7.8	2,130	8.3	165.3	9.9
26% (AMT)	10	0.1	2.0	0.4	20	0.4	3.7	0.4	30	0.1	4.6	0.3
28% (AMT)	20	0.1	3.9	0.7	30	0.6	19.6	1.9	40	0.2	23.5	1.4
32%	210	1.1	16.1	2.9	280	5.2	39.4	3.7	450	1.8	58.1	3.5
35%	270	1.4	41.0	7.4	410	7.6	98.7	9.3	630	2.5	143.7	8.6
37.0%	210	1.1	80.3	14.4	550	10.1	710.1	66.8	670	2.6	800.2	48.0
All	19,080	100.0	556.3	100.0	5,400	100.0	1062.4	100.0	25,530	100.0	1667.9	100.0

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

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(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, 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).