

**Table T07-0031. Statutory Tax Rates and Marginal Tax Rates
by Type of Filer for Tax Year 2006, in Percent**

AGI	Single		Head of Household			Married Filing Joint					
	# of kids	0	1	2	3	6	0	1	2	3	6
Statutory Tax Rates (regular income tax only)											
\$10,000	10	0	0	0	0	0	0	0	0	0	0
\$15,000	10	10	0	0	0	0	0	0	0	0	0
\$25,000	15	15	10	10	0	10	10	10	10	0	0
\$35,000	15	15	15	15	10	15	10	10	10	10	0
\$50,000	25	15	15	15	15	15	15	15	15	15	10
\$75,000	25	25	25	25	15	15	15	15	15	15	15
\$100,000	25	25	25	25	25	25	25	25	25	15	15
\$125,000	28	25	25	25	25	25	25	25	25	25	25
\$150,000	28	25	25	25	25	25	25	25	25	25	25
\$200,000	28	28	28	28	28	28	28	28	28	28	25
\$500,000	33	33	33	33	33	33	33	33	33	33	33
\$1,000,000	35	35	35	35	35	35	35	35	35	35	35
\$1,500,000	35	35	35	35	35	35	35	35	35	35	35
\$2,000,000	35	35	35	35	35	35	35	35	35	35	35
Effective Marginal Tax Rates											
\$10,000	17.7	0	-40	-40	-40	7.7	0	-40	-40	-40	-40
\$15,000	10	1	6.1	6.1	6.1	0	-15	-15	-15	-15	-15
\$25,000	15	31	31.1	6.1	6.1	10	26	31.1	6.1	6.1	6.1
\$35,000	15	15	36.1	36.1	6.1	15	13.5	31.1	31.1	6.1	6.1
\$50,000	25	15	15	15	15	15	15	15	15	15	10
\$75,000	25	30	30	30	31	15	15	15	15	15	15
\$100,000	25	25	30	30	31	25	25	25	25	25	15
\$125,000	28	25	30	31	31	25	30	30	30	30	31
\$150,000	29.5	32.5	32.5	32.5	37.5	25.3	25.3	25.3	30.3	30.3	31
\$200,000	32.5	32.5	32.5	32.5	32.5	28.6	28.6	32.5	32.5	32.5	37.5
\$500,000	28	28	28	28	28	28	28	28	28	28	28
\$1,000,000	35.7	35.7	35.7	35.7	35.7	28	28	28	28	28	28
\$1,500,000	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7
\$2,000,000	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

Notes: Households on the AMT are indicated by a dark background. Number of filers excludes dependent returns. Kids includes only children in the home for whom an exemption may be claimed.

Assumptions:

- (1) All children qualify for the dependency exemption, the earned income tax credit, and the child tax credit.
- (2) Households do not claim any other tax credits (such as the dependent care credit, adoption credit, or education tax credits).
- (3) Itemized deductions are assumed to be 21 percent of adjusted gross income (AGI), which was the average ratio for itemizers in 2004. For purposes of calculating the AMT, tax preference items are assumed to be 40% of itemized deductions.
- (4) The fraction of AGI composed of capital gains and dividends at each AGI level is based on current law tabulations from the TPC tax model. AGI under \$50,000 is assumed to be wages only. The fractions are as follows (the first percentage is for capital gains and the second is for dividends): \$50,000: 0.8% and 1.0%; \$75,000: 1.1% and 1.0%; \$100,000: 1.7% and 1.1%; \$125,000: 2.7% and 1.4%; \$150,000: 3.5% and 1.6%; \$200,000: 5.4% and 2.1%; \$500,000: 13.8% and 2.1%; \$1,000,000: 17.6% and 3.0%; \$1,500,000: 22.6% and 3.6%; \$2,000,000: 23.6% and 3.6%. All capital gains are assumed to be long-term gains and all dividends qualifying dividends.