

Table T07-314
Change in Marginal Tax Rate on Capital Gains Due To HR 3970,
The Tax Reduction and Reform Act of 2007
Distribution of Tax Units by Change, 2008¹

Cash Income Class (thousands of 2006 dollars) ²	Tax Units (thousands)	Change in Marginal Tax Rate On Capital Gains		
		Percent with Increase	Percent with Decrease	Percent with No Change
All Taxpayers³				
Less than 100	126,771	2.6	3.6	93.7
100-200	17,502	25.1	18.4	56.4
200-500	4,784	21.0	55.1	23.9
500-1,000	793	64.7	5.9	29.4
More than 1,000	421	67.9	3.3	28.9
All	150,867	6.3	7.0	86.7
Taxpayers with Positive Capital Gains				
Less than 100	8,487	1.9	4.5	93.6
100-200	4,245	24.8	18.3	56.8
200-500	1,999	25.6	65.5	8.9
500-1,000	406	88.6	7.1	4.3
More than 1,000	256	95.1	4.0	0.9
All	15,467	15.1	16.2	68.7

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

Number of AMT Taxpayers (millions). Baseline: 26.4 Proposal: 0.0

(1) Calendar year. Baseline is current law.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals.

For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Taxpayers with capital losses in excess of the loss limitation will appear to have a marginal rate of zero in single-year analysis. However, the additional gains this year reduce the taxpayer's ability to offset gains in future years and therefore do impose a cost. For this reason results are presented both for all taxpayers and those with positive capital gains.