

Table T10-0181
Bipartisan Tax Fairness and Simplification Act of 2010 ("Wyden-Gregg")
Change in Effective Marginal Individual Income Tax Rates by Cash Income
Percentile, 2014 ¹

Cash Income Percentile ^{2,3}	Tax Units (thousands) ⁴	Change in Average Effective Marginal Tax Rates (Percentage Points) Under Wyden-Gregg On:			
		Wages and Salaries		Capital Gains Relative to:	
		Current Law	Current Policy	Current Law	Current Policy
Lowest Quintile	40,990	-7.3	-3.4	-2.6	-0.7
Second Quintile	36,129	-5.2	-3.2	-4.3	1.2
Middle Quintile	32,694	-5.0	-2.7	-5.2	1.4
Fourth Quintile	27,378	-5.9	-1.2	-4.5	3.2
Top Quintile	23,893	-2.3	0.9	0.9	5.6
All	161,771	-4.0	-0.7	0.6	5.4
Addendum					
80-90	12,051	-2.3	-0.8	-5.2	-0.4
90-95	5,876	-1.3	2.1	-4.9	1.8
95-99	4,752	-1.1	1.7	-1.4	2.5
Top 1 Percent	1,215	-5.3	1.7	2.1	6.8
Top 0.1 Percent	123	-5.5	0.6	2.1	6.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Effective marginal rate is determined by calculating individual income tax, and then adding \$1,000 to the appropriate income source (wages and salaries or long-term capital gains) and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000. The averages are weighted by the appropriate income source. Average for capital gains is restricted to those with net positive long-term gains. Estimates do not include the Medicare surtax enacted as part of the health reform legislation.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

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

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,925, 40% \$38,371, 60% \$67,991, 80% \$116,859, 90% \$169,290, 95% \$237,098, 99% \$632,966, 99.9% \$2,923,051.

(4) Includes both filing and nonfiling units but excludes those that are dependents of other tax units.