

T11-0318

**Tax Units by Share of Income Taxed at Preferential Rates
and Cash Income Percentile, 2011
Baseline: Current Law**

Cash Income Percentile ^{1,2,3}	All Tax Units (thousands)	Percentage of Tax Units Receiving Given Share of Income Taxed at Preferential Tax Rates ⁴			
		Less than 10%	10% to 33%	33% to 67%	More than 67%
Lowest Quintile	40,540	99.1	0.4	0.2	0.3
Second Quintile	35,599	98.6	1.1	0.2	0.0
Middle Quintile	30,635	98.1	1.6	0.3	0.0
Fourth Quintile	24,290	97.2	2.3	0.5	0.0
Top Quintile	19,115	90.5	6.1	2.7	0.7
All	150,179	97.4	1.8	0.6	0.2
Addendum					
80-90	10,029	95.0	3.7	1.1	0.1
90-95	4,619	90.2	7.2	2.2	0.3
95-99	3,504	82.9	9.9	5.9	1.3
Top 1 Percent	963	71.8	12.0	10.3	5.9
Top 0.1 Percent	109	54.3	14.2	17.0	14.5

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) This analysis excludes three groups of tax units: a) those with negative cash income; b) those with negative combined long-term capital gains and qualified dividends; and c) those with business losses exceeding 50 percent of their non-business income.

(2) The analysis includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(4) Preferential rate refers to the 0 percent and 15 percent tax rates for long-term capital gains and qualified dividends. Ordinary income tax rates range from 10 percent to 35 percent.

25-Aug-11

PRELIMINARY RESULTS

T11-0318

**Effective Individual Income Tax Rate by Share of Income Taxed at Preferential Rates
and Cash Income Percentile, 2011
Baseline: Current Law**

Cash Income Percentile ^{1,2,3}	Average Effective Income Tax Rate for Tax Units Receiving Given Share of Income Taxed at Preferential Tax Rates ⁴				All Tax Units
	Less than 10%	10% to 33%	33% to 67%	More than 67%	
	Lowest Quintile	-5.7	-1.3	-0.3	
Second Quintile	-2.9	0.3	0.0	-0.1	-2.9
Middle Quintile	3.2	1.8	0.2	-0.2	3.2
Fourth Quintile	7.1	5.3	2.5	0.2	7.0
Top Quintile	14.2	14.6	12.6	11.5	14.0
All	8.1	12.8	12.1	11.4	8.6
Addendum					
80-90	9.6	7.3	4.8	2.1	9.4
90-95	12.0	10.8	7.5	5.9	11.8
95-99	15.6	13.7	11.1	9.1	15.1
Top 1 Percent	21.0	18.0	14.0	11.8	18.3
Top 0.1 Percent	24.6	19.0	14.2	11.9	18.9

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) This analysis excludes three groups of tax units: a) those with negative cash income; b) those with negative combined long-term capital gains and qualified dividends; and c) those with business losses exceeding 50 percent of their non-business income.

(2) The analysis includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(4) Preferential rate refers to the 0 percent and 15 percent tax rates for long-term capital gains and qualified dividends. Ordinary income tax rates range from 10 percent to 35 percent.

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PRELIMINARY RESULTS

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**Effective Payroll Tax Rate by Share of Income Taxed at Preferential Rates
and Cash Income Percentile, 2011
Baseline: Current Law**

Cash Income Percentile ^{1,2,3}	Average Effective Payroll Tax Rate for Tax Units Receiving Given Share of Income Taxed at Preferential Tax Rates ⁴				All Tax Units
	Less than 10%	10% to 33%	33% to 67%	More than 67%	
Lowest Quintile	6.0	2.9	1.3	1.0	5.9
Second Quintile	8.2	1.6	1.5	1.3	8.1
Middle Quintile	9.0	2.6	2.2	0.9	8.9
Fourth Quintile	9.3	2.6	1.5	2.2	9.1
Top Quintile	6.6	2.4	1.0	0.2	5.5
All	7.7	2.4	1.0	0.2	7.0
Addendum					
80-90	9.2	2.7	1.7	1.5	8.9
90-95	8.5	3.9	1.6	0.7	8.0
95-99	5.7	3.3	1.8	0.7	5.1
Top 1 Percent	2.2	1.3	0.6	0.2	1.6
Top 0.1 Percent	1.2	0.8	0.4	0.1	0.7

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) This analysis excludes three groups of tax units: a) those with negative cash income; b) those with negative combined long-term capital gains and qualified dividends; and c) those with business losses exceeding 50 percent of their non-business income.

(2) The analysis includes both filing and non-filing units but excludes those that are dependents of other tax units. 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 2011 dollars): 20% \$16,812; 40% \$33,542; 60% \$59,486; 80% \$103,465; 90% \$163,173; 95% \$210,998; 99% \$532,613; 99.9% \$2,178,886.

(4) Preferential rate refers to the 0 percent and 15 percent tax rates for long-term capital gains and qualified dividends. Ordinary income tax rates range from 10 percent to 35 percent.

25-Aug-11

PRELIMINARY RESULTS

T11-0318
Combined Effective Individual Income and Payroll Tax Rate by Share of Income Taxed at
Preferential Rates
and Cash Income Percentile, 2011
Baseline: Current Law

Cash Income Percentile ^{1,2,3}	Combined Average Effective Individual Income and Payroll Tax Rate for Tax Units Receiving Given Share of Income Taxed at Preferential Tax Rates ⁴				All Tax Units
	Less than 10%	10% to 33%	33% to 67%	More than 67%	
	Lowest Quintile	0.2	1.6	1.1	
Second Quintile	5.2	1.9	1.5	1.2	5.2
Middle Quintile	12.2	4.3	2.4	0.7	12.1
Fourth Quintile	16.3	7.9	4.1	2.4	16.1
Top Quintile	20.8	17.0	13.6	11.7	19.5
All	15.8	15.2	13.1	11.6	15.6
Addendum					
80-90	18.8	10.1	6.6	3.6	18.3
90-95	20.5	14.7	9.2	6.6	19.8
95-99	21.3	17.1	12.9	9.7	20.2
Top 1 Percent	23.2	19.3	14.6	12.0	19.9
Top 0.1 Percent	25.8	19.8	14.6	12.0	19.6

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) This analysis excludes three groups of tax units: a) those with negative cash income; b) those with negative combined long-term capital gains and qualified dividends; and c) those with business losses exceeding 50 percent of their non-business income.

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(4) Preferential rate refers to the 0 percent and 15 percent tax rates for long-term capital gains and qualified dividends. Ordinary income tax rates range from 10 percent to 35 percent.