

**T12-0018**  
**Average Effective Federal Tax Rates**  
**By Cash Income Percentiles, 2011**  
**Baseline: Current Law**

Cash Income Percentile <sup>1,2</sup>	As a Percentage of Cash Income <sup>1</sup>						As a Percentage of Adjusted Gross Income		
	Individual Income Tax <sup>3</sup>	Payroll Tax		Corporate Income Tax	Estate Tax	All Federal Taxes <sup>5</sup>	Individual Income Tax <sup>3</sup>	Payroll Tax	
		Employee <sup>4</sup>	Employer					Employee <sup>4</sup>	Employer
<b>Lowest Quintile</b>	-5.8	3.0	3.2	0.4	*	<b>0.8</b>	-12.3	6.5	6.8
<b>Second Quintile</b>	-2.9	3.8	4.5	0.5	*	<b>5.9</b>	-4.2	5.5	6.5
<b>Middle Quintile</b>	3.2	4.0	4.9	0.6	*	<b>12.6</b>	4.1	5.1	6.3
<b>Fourth Quintile</b>	7.0	4.0	5.0	0.7	*	<b>16.7</b>	8.2	4.7	5.8
<b>Top Quintile</b>	14.9	2.8	3.2	3.4	0.2	<b>24.5</b>	17.3	3.3	3.7
<b>All</b>	9.3	3.3	3.9	2.1	0.1	<b>18.8</b>	11.5	4.1	4.8
<b>Addendum</b>									
<b>80-90</b>	9.5	4.1	5.0	1.0	*	<b>19.5</b>	11.0	4.7	5.8
<b>90-95</b>	12.0	3.8	4.5	1.3	*	<b>21.6</b>	13.8	4.4	5.2
<b>95-99</b>	16.4	2.8	3.0	2.6	0.1	<b>25.0</b>	19.2	3.3	3.5
<b>Top 1 Percent</b>	20.3	1.1	0.9	7.7	0.3	<b>30.4</b>	24.0	1.3	1.1
<b>Top 0.1 Percent</b>	19.8	0.5	0.4	10.7	0.7	<b>32.1</b>	23.6	0.6	0.5

Source : Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

\* Less than 0.05.

(1) For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>. For a description of TPC's current law and current policy baselines, see <http://www.taxpolicycenter.org/T11-0270>. The measure of cash income used to calculate effective tax rates does not include rollovers to IRAs.

(2) 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. Includes both filing and nonfiling units but excludes those that are dependents of other tax units. Tax units with negative cash income are excluded from the lowest income class but are included in the totals.

(3) After tax credits (including refundable portion of earned income and child tax credits).

(4) Includes the employee portion of Social Security and Medicare taxes plus all SECA taxes for self-employment. The employee's rate for the Social Security tax was reduced 2 percentage points to 4.2% for 2011.

(5) Excludes customs duties and excise taxes.