

T12-0020
Average Effective Federal Tax Rates
By Cash Income Percentiles, 2010
Baseline: Current Law

Cash Income Percentile ¹	As a Percentage of Cash Income ¹						As a Percentage of Adjusted Gross Income			
	Individual Income Tax ³	Payroll Tax		Corporate Income Tax	Estate Tax ⁵	All Federal Taxes ⁶	Individual Income Tax ³	Payroll Tax		
		Employee ⁴	Employer					Employee ⁴	Employer	
Lowest Quintile	-8.9	4.3	3.3	0.4	n/a	-0.8	-18.3	8.9	6.9	
Second Quintile	-5.0	5.1	4.5	0.5	n/a	5.0	-7.3	7.4	6.4	
Middle Quintile	1.2	5.2	4.7	0.5	n/a	11.6	1.6	6.9	6.2	
Fourth Quintile	5.5	5.4	5.0	0.6	n/a	16.4	6.4	6.3	5.8	
Top Quintile	14.3	3.8	3.4	3.1	n/a	24.7	16.6	4.4	3.9	
All	9.1	4.4	4.0	2.1	n/a	19.5	11.0	5.4	4.8	
Addendum										
80-90	8.4	5.5	5.0	0.9	n/a	19.8	9.7	6.3	5.8	
90-95	11.4	5.1	4.7	1.1	n/a	22.3	13.0	5.9	5.4	
95-99	16.1	3.8	3.2	2.3	n/a	25.4	18.7	4.4	3.7	
Top 1 Percent	20.7	1.4	1.0	7.4	n/a	30.5	24.2	1.6	1.2	
Top 0.1 Percent	20.4	0.6	0.4	10.6	n/a	32.1	24.0	0.7	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% \$16,700; 40% \$33,348; 60% \$58,243; 80% \$101,835; 90% \$157,212; 95% \$204,215; 99% \$508,677; 99.9% \$1,973,943. 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.

(5) There was no estate tax for tax year 2010.

(6) Excludes customs duties and excise taxes.