

Table T12-0234
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
By Cash Income Percentile, 2012¹

Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Individual Income Tax		Individual Income Tax plus Payroll Tax	
		Current Law	Current Policy	Current Law	Current Policy
Lowest Quintile	41,814	-0.2	-0.3	12.7	12.7
Second Quintile	35,786	17.1	16.7	29.9	29.6
Third Quintile	29,812	19.4	18.3	32.1	31.1
Fourth Quintile	26,548	22.6	18.7	35.4	31.5
Top Quintile	22,603	30.2	28.6	37.2	35.6
All	157,370	24.3	22.4	34.4	32.5
Addendum					
80-90	10,346	27.3	24.3	37.8	34.8
90-95	6,313	29.1	27.0	37.3	35.1
95-99	4,742	32.7	31.4	37.8	36.5
Top 1 Percent	1,202	32.5	32.8	35.7	36.0
Top 0.1 Percent	123	34.3	34.3	37.3	37.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-7).

(1) Calendar year. Effective marginal tax rates are weighted by wages and salaries. For a description of TPC's current law and current policy baselines, see:

<http://taxpolicycenter.org/numbers/displayatab.cfm?Docid=3131>

(2) Includes both filing and non-filing 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. For a description of cash income, see

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

(3) The 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 2012 dollars): 20% \$19,738; 40% \$39,096; 60% \$64,828; 80% \$107,628; 90% \$148,688; 95% \$208,810; 99% \$521,411; 99.9% \$2,749,437.