

Table T12-0242
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
By Cash Income Percentile, 2022¹

Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Individual Income Tax		Individual Income Tax plus Payroll Tax ⁴	
		Current Law	Current Policy	Current Law	Current Policy
Lowest Quintile	28,407	5.0	1.4	19.9	16.3
Second Quintile	38,019	19.7	17.5	34.5	32.3
Third Quintile	37,103	21.7	18.7	36.4	33.4
Fourth Quintile	36,967	25.9	20.1	40.5	34.7
Top Quintile	28,389	33.9	29.6	42.8	38.6
All	169,691	28.5	24.2	40.2	35.9
Addendum					
80-90	12,855	27.1	27.1	41.8	41.8
90-95	6,665	31.4	31.4	42.3	42.3
95-99	6,999	34.4	34.4	42.6	42.6
Top 1 Percent	1,869	40.0	40.0	44.0	44.0
Top 0.1 Percent	267	40.4	34.7	44.2	38.5

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% \$27,301; 40% \$48,210; 60% \$75,559; 80% \$114,032; 90% \$178,992; 95% \$229,788; 99% \$638,324; 99.9% \$4,687,843.

(4) Payroll tax rates include the additional 0.9 percent Hospital Insurance (HI) tax enacted by the health reform legislation.