

**Table T12-0339**  
**Raise Top Individual Income Tax Rate to 36 Percent for Taxpayers with Income Over \$500K/\$400K**  
**Baseline: Current Policy**  
**Effective Marginal Individual Income Tax Rates (EMTR) On Wages and Salaries and Capital Income**  
**By Cash Income Percentile, 2013<sup>1</sup>**

Cash Income Percentiles <sup>2,3</sup>	Tax Units (thousands)	Wages and Salaries		Long-term Capital Gains		Qualified Dividends		Interest Income	
		Baseline	Proposal	Baseline	Proposal	Baseline	Proposal	Baseline	Proposal
<b>Lowest Quintile</b>	40,520	-0.9	-0.9	1.0	1.0	0.9	0.9	2.5	2.5
<b>Second Quintile</b>	36,208	16.8	16.8	0.6	0.6	0.8	0.8	6.7	6.7
<b>Third Quintile</b>	31,370	18.3	18.3	3.3	3.3	5.3	5.3	16.2	16.2
<b>Fourth Quintile</b>	26,062	18.6	18.6	5.8	5.8	8.5	8.5	20.5	20.5
<b>Top Quintile</b>	23,189	28.5	28.7	17.8	17.8	18.1	18.1	29.6	29.9
<b>All</b>	158,260	22.3	22.4	16.4	16.4	16.1	16.1	23.0	23.2
<b>Addendum</b>									
<b>80-90</b>	11,692	24.3	24.3	11.7	11.7	11.8	11.8	24.4	24.4
<b>90-95</b>	5,736	26.8	26.8	13.0	13.0	13.6	13.6	24.9	24.9
<b>95-99</b>	4,615	31.9	31.9	18.9	18.9	20.0	20.0	32.2	32.2
<b>Top 1 Percent</b>	1,147	32.8	33.6	18.3	18.3	19.1	19.1	31.1	31.6
<b>Top 0.1 Percent</b>	117	34.3	35.4	18.3	18.3	18.7	18.7	30.4	31.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0412-8).

(1) Calendar year. Effective marginal tax rates are weighted by the appropriate income source. Baseline is current policy, proposal would raise the top regular individual income tax rate by one percentage point to 36 percent for tax units whose taxable income is greater than \$500,000 less the standard deduction and two personal exemptions for married couples, \$400,000 (\$450,000) less the standard deduction and one exemption for singles (heads of household). Those values are expressed in 2009 dollars and result in actual thresholds of \$425,750 for single taxpayers, \$532,200 for married taxpayers filing jointly, \$479,000 for heads of household, and \$266,100 for married taxpayers filing separately. 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% \$20,113; 40% \$39,790; 60% \$64,484; 80% \$108,266; 90% \$143,373; 95% \$204,296; 99% \$506,210; 99.9% \$2,655,675.