

Table T12-0384
Limit Itemized Deductions Except Charitable Contributions to 28 Percent
Baseline: Current Policy
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income and Wage and Salaries
By Cash Income Level, 2013¹

Cash Income Level (thousands of 2012 dollars) ²	Tax Units (thousands)	Wage and Salaries		Long-term Capital Gains		Qualified Dividends		Interest Income	
		Baseline	Proposal	Baseline	Proposal	Baseline	Proposal	Baseline	Proposal
Less than 10	16,041	-9.9	-9.9	0.3	0.3	0.1	0.1	0.3	0.3
10-20	24,243	1.6	1.6	1.4	1.4	1.4	1.4	3.3	3.3
20-30	19,317	14.7	14.7	0.5	0.5	1.0	1.0	4.9	4.9
30-40	17,482	18.2	18.2	0.7	0.7	0.6	0.6	8.8	8.8
40-50	13,879	17.7	17.7	1.0	1.0	2.1	2.1	13.4	13.4
50-75	25,633	19.0	19.0	4.9	4.9	7.9	7.8	19.5	19.5
75-100	14,610	18.2	18.2	5.7	5.7	8.7	8.7	20.5	20.5
100-200	20,204	24.4	24.5	12.0	12.0	12.2	12.3	24.1	24.1
200-500	4,780	31.7	32.4	18.7	18.9	19.9	20.7	32.0	31.4
500-1,000	728	30.1	29.8	18.6	18.4	20.4	19.6	32.0	31.1
More than 1,000	433	34.0	34.7	18.2	18.2	18.8	18.7	30.9	31.4
All	158,260	22.3	22.4	16.4	16.4	16.1	16.2	23.0	23.0
Addendum³									
AGI above \$250K	2,846	33.4	33.7	18.9	18.8	19.9	20.0	32.5	32.6
AGI above \$500K	965	32.9	33.4	18.3	18.3	18.9	18.8	31.5	31.9
AGI above \$1M	368	34.2	34.7	18.4	18.3	18.8	18.8	31.3	31.9

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 limit the tax benefit of all itemized deductions except charitable contributions to 28 percent and apply a similar limitation to the alternative minimum tax. Estimates assume that taxpayers would adjust their investment portfolio and pay down their mortgage balance if their tax benefit from mortgage interest was reduced. For a description of TPC's current policy baseline, 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) Adjusted gross income (AGI) values shown are for married couples filing a joint return (MFJ); the thresholds for single tax units are 80 percent of the MFJ amounts and the thresholds for heads of household are 90 percent of the MFJ amounts. The AGI thresholds are expressed in 2009 dollars.