

Table T12-0350
Limit Itemized Deductions to \$50,000
Effective Marginal Individual Income Tax Rates (EMTR) on Wages and Salaries and Capital Income
By Cash Income Level, 2013¹

Cash Income Level ²	Tax Units (thousands)	Individual Income Tax		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	13.7
50-75	25,633	19.0	19.0	4.9	5.0	7.9	7.9	19.5	19.8
75-100	14,610	18.2	18.3	5.7	6.0	8.7	8.8	20.5	20.7
100-200	20,204	24.4	24.5	12.0	12.2	12.2	12.5	24.1	24.3
200-500	4,780	31.7	31.5	18.7	18.8	19.9	20.0	32.0	31.4
500-1,000	728	30.1	32.2	18.6	18.5	20.4	20.1	32.0	32.1
More than 1,000	433	34.0	34.7	18.2	18.2	18.8	18.7	30.9	35.3
All	158,260	22.3	22.4	16.4	16.4	16.1	16.2	23.0	24.1
Addendum³									
AGI above \$250K	2,846	33.4	34.1	18.9	18.8	19.9	19.8	32.5	35.3
AGI above \$500K	965	32.9	34.1	18.3	18.3	18.9	18.8	31.5	35.2
AGI above \$1m	368	34.2	34.8	18.4	18.3	18.8	18.8	31.3	35.9

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

(1) Calendar year. Baseline is current policy. Proposal limits itemized deductions to \$25,000 for single tax units, \$50,000 for joint tax units, and \$37,500 for head of household tax units. The limit is effective 01/01/13, and the dollar values are indexed for inflation after 2013. Effective marginal tax rates are weighted by the appropriate income source. 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) 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.