

Table T12-0352
Limit Itemized Deductions Other Than Charitable Contributions 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 | 12.1 | 12.2 | 12.5 | 24.1 | 24.3 |
| 200-500 | 4,780 | 31.7 | 31.6 | 18.7 | 18.8 | 19.9 | 20.0 | 32.0 | 31.7 |
| 500-1,000 | 728 | 30.1 | 31.7 | 18.6 | 18.6 | 20.4 | 20.3 | 32.0 | 32.2 |
| More than 1,000 | 433 | 34.0 | 34.7 | 18.2 | 18.1 | 18.8 | 18.7 | 30.9 | 34.2 |
| All | 158,260 | 22.3 | 22.4 | 16.4 | 16.4 | 16.1 | 16.2 | 23.0 | 23.9 |
| Addendum³ | | | | | | | | | |
| AGI above \$250K | 2,846 | 33.4 | 34.0 | 18.9 | 18.8 | 19.9 | 19.8 | 32.5 | 34.6 |
| AGI above \$500K | 965 | 32.9 | 33.9 | 18.3 | 18.3 | 18.9 | 18.8 | 31.5 | 34.3 |
| AGI above \$1m | 368 | 34.2 | 34.7 | 18.4 | 18.3 | 18.8 | 18.8 | 31.3 | 34.8 |

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

(1) Calendar year. Baseline is current policy. Proposal limits itemized deductions other than charitable contributions 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.