

Table T12-0353
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 Percentile, 2013¹

Cash Income Percentile ^{2,3}	Tax Units (thousands)	Individual Income Tax		Long-term Capital Gains		Qualified Dividends		Interest Income	
		Baseline	Proposal	Baseline	Proposal	Baseline	Proposal	Baseline	Proposal
Lowest Quintile	40,520	-0.9	-0.9	1.0	1.0	0.9	0.9	2.5	2.6
Second Quintile	36,208	16.8	16.8	0.6	0.6	0.8	0.8	6.7	6.7
Third Quintile	31,370	18.3	18.3	3.3	3.3	5.3	5.3	16.2	16.4
Fourth Quintile	26,062	18.6	18.6	5.8	6.0	8.5	8.6	20.5	20.6
Top Quintile	23,189	28.5	28.7	17.8	17.7	18.1	18.2	29.6	30.9
All	158,260	22.3	22.4	16.4	16.4	16.1	16.2	23.0	23.9
Addendum									
80-90	11,691	-0.9	24.4	11.7	11.8	11.8	12.0	24.4	24.4
90-95	5,736	16.8	26.8	13.0	13.2	13.6	14.0	24.9	25.4
95-99	4,614	18.3	31.7	18.9	18.9	20.0	20.1	32.2	31.8
Top 1 Percent	1,147	18.6	33.7	18.3	18.2	19.1	19.0	31.1	33.8
Top 0.1 Percent	117	34.3	34.8	18.3	18.3	18.7	18.7	30.4	34.7

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) 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.