

**Table T12-0367**  
**Limit Tax Benefit of Itemized Deductions to 2 Percent of Adjusted Gross Income (AGI)**  
**Effective Marginal Individual Income Tax Rates (EMTR) on Capital Income and Wage and Salaries**  
**By Cash Income Percentile, 2013<sup>1</sup>**

Cash Income Level (thousands of 2012 dollars) <sup>2</sup>	Tax Units (thousands)	Wage 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	-0.8	1.0	1.0	0.9	0.9	2.5	2.8
<b>Second Quintile</b>	36,208	16.8	17.1	0.6	0.6	0.8	0.8	6.7	7.5
<b>Third Quintile</b>	31,370	18.3	19.2	3.3	4.0	5.3	5.9	16.2	16.8
<b>Fourth Quintile</b>	26,062	18.6	19.0	5.8	6.5	8.5	9.8	20.5	20.0
<b>Top Quintile</b>	23,189	28.5	28.5	17.8	17.0	18.1	17.2	29.6	28.9
<b>All</b>	158,260	22.3	22.6	16.4	15.8	16.1	15.5	23.0	22.7
<b>Addendum</b>									
<b>80-90</b>	11,692	24.3	26.1	11.7	12.3	11.8	12.9	24.4	21.8
<b>90-95</b>	5,736	26.8	26.5	13.0	13.4	13.6	14.4	24.9	22.1
<b>95-99</b>	4,615	31.9	29.8	18.9	17.5	20.0	18.1	32.2	27.8
<b>Top 1 Percent</b>	1,147	32.8	32.7	18.3	17.5	19.1	17.9	31.1	33.2
<b>Top 0.1 Percent</b>	117	34.3	33.3	18.3	17.5	18.7	17.6	30.4	34.3

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 limits the tax benefit of itemized deductions to 2 percent of AGI. 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) 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.