

Table T13-0002
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
By Cash Income Percentile, 2013¹

Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Long-term Capital Gains			Qualified Dividends			Interest Income		
		Patched 2012 Law	Pre-ATRA Law	ATRA	Patched 2012 Law	Pre-ATRA Law	ATRA	Patched 2012 Law	Pre-ATRA Law	ATRA
Lowest Quintile	40,520	1.0	1.5	1.0	0.9	2.0	0.9	2.5	3.7	2.5
Second Quintile	36,208	0.6	3.1	0.6	0.8	7.7	0.8	6.7	9.1	6.7
Third Quintile	31,370	3.3	9.6	3.3	5.2	18.2	5.3	16.1	19.1	16.2
Fourth Quintile	26,062	5.8	13.0	5.8	8.5	24.3	8.5	20.5	24.5	20.5
Top Quintile	23,189	14.7	22.3	21.4	15.5	37.3	21.1	27.2	33.7	31.9
All	158,260	13.7	20.9	19.7	13.9	34.2	18.6	21.6	26.7	24.4
Addendum										
80-90	11,691	11.7	16.2	11.7	11.8	27.3	11.8	24.4	27.8	24.4
90-95	5,736	13.0	17.9	13.0	13.6	27.8	13.6	24.8	27.8	24.8
95-99	4,614	16.7	23.4	19.0	18.0	34.9	20.0	30.0	34.2	32.2
Top 1 Percent	1,147	14.6	22.7	23.2	15.3	41.1	24.0	27.4	36.7	35.8
Top 0.1 Percent	117	14.6	23.0	23.5	15.0	42.0	24.2	26.6	36.3	35.3

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

(1) Calendar year. Effective marginal tax rates are weighted by wages and salaries. Patched 2012 law is TPC's current policy baseline with the following modifications: extension of 2 percent payroll tax cut; repeal of the health care legislation taxes on earnings, and investment income; repeal of the 10 percent limitation on the deductibility of medical expenses; and extension of certain business and other provisions. Pre-ATRA law refers to the law that would have taken effect in 2013 without the passage of the American Taxpayer Relief Act of 2012. ATRA refers to the law currently in place for 2013 after the passage of the bill. For a complete description of TPC's current law and current policy baselines, see:

<http://taxpolicycenter.org/numbers/displayatab.cfm?Docid=3131>

For a description of provisions included in ATRA, see:

<http://www.taxpolicycenter.org/taxtopics/American-Taxpayer-Relief-Act.cfm>

(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.