

Table T13-0250
Distribution of Individual Income Tax on Long-Term Capital Gains and Qualified Dividends by Expanded Cash Income Percentile, 2023¹
Baseline: Current Law

Expanded Cash Income Percentile ^{2,3}	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends ⁴		Tax Units Paying Positive Individual Income Tax On Gains or Qualified Dividends				
		Percent Within Class	Average Gains and Dividends (\$)	Percent Within Class	Average Tax Paid on Gains and Dividends (\$)	Share of Positive Individual Income Tax on Gains and Dividends	Average Individual Income Tax Rate On Gains and Dividends ⁵	On All Other Income ⁶
Lowest Quintile	44,500	4.3	2,079	0.2	390	0.0	8.0	-10.9
Second Quintile	37,598	11.7	3,124	3.6	248	0.2	8.1	10.2
Middle Quintile	35,272	17.0	5,070	9.5	799	1.2	11.9	15.1
Fourth Quintile	28,346	26.1	7,901	14.9	1,261	2.4	11.3	16.6
Top Quintile	25,147	51.9	76,061	45.2	18,869	96.2	21.8	29.8
All	172,542	19.3	33,625	11.8	10,927	100.0	21.0	28.1
Addendum								
80-90	12,783	38.9	11,312	30.3	1,870	3.2	13.5	17.9
90-95	6,110	54.7	17,330	48.9	2,945	4.0	15.5	20.0
95-99	4,970	71.7	37,759	67.9	8,062	12.2	20.4	25.5
Top 1 Percent	1,284	89.9	643,363	89.0	150,037	76.8	23.1	37.0
Top 0.1 Percent	130	95.3	3,154,039	95.2	732,300	40.5	23.2	39.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-1d).

* Less than 0.05

** Insufficient data

(1) Calendar year. Individual income tax on long-term capital gains and qualified dividends is calculated by comparing liability under current law to liability when qualified dividends and net long term gains in excess of net short-term losses are excluded from income and excluded from the base of the 3.8 percent net investment surtax enacted by the Affordable Care Act (ACA). For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded 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 2013 dollars): 20% \$26,827; 40% \$54,460; 60% \$95,241; 80% \$156,821; 90% \$230,152; 95% \$304,802; 99% \$784,795; 99.9% \$4,787,602.

(4) Tax units reporting long-term positive gains and qualified dividends.

(5) Average individual income tax on long-term positive capital gains and qualified dividends as a percentage of gains and qualified dividends.

(6) Average individual income tax as a percentage of nongain taxable income.