

Table T17-0088
Individual Income Tax on Long-Term Capital Gains and Qualified Dividends
Baseline: Current Law
Distribution of Federal Tax Change by Cash Income Percentile, 2018¹
Summary Table

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	48,780	3.3	2,430	0.2	**	*	**	**
Second Quintile	38,760	8.3	3,390	1.3	370	0.1	8.9	-3.0
Middle Quintile	34,280	16.1	5,290	8.2	520	0.9	8.2	13.3
Fourth Quintile	28,870	26.7	6,990	16.6	940	2.7	10.5	15.8
Top Quintile	24,300	49.7	66,340	44.7	14,820	96.3	20.2	28.2
All	176,100	17.3	30,130	10.8	8,770	100.0	19.5	26.8
Addendum								
80-90	12,490	37.9	10,630	31.4	1,440	3.4	12.2	16.9
90-95	6,020	52.3	15,500	47.8	2,320	4.0	14.1	19.9
95-99	4,650	69.3	35,730	66.4	7,010	13.0	18.9	25.6
Top 1 Percent	1,140	85.7	600,040	84.9	130,870	76.0	21.6	35.6
Top 0.1 Percent	120	94.3	3,920,720	94.1	850,400	55.5	21.7	38.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0217-1).

* Non-zero value rounded to zero; ** 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 2017 dollars): 20% \$25,000; 40% \$48,600; 60% \$86,100; 80% \$149,400; 90% \$216,800; 95% \$307,900; 99% \$732,800; 99.9% \$3,439,900.

(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.