

Table T17-0285
Effective Marginal Tax Rates (EMTR) On Wages and Salaries
Under Current Law and Senate Bill: The Tax Cuts and Jobs Act, As Ordered Reported by the Committee on Finance
By Expanded Cash Income Percentile, 2025 ¹

| Expanded Cash Income Percentiles ^{2,3} | Tax Units (thousands) | Individual Income Tax | | | Individual Income Tax plus Payroll Tax | | |
|---|-----------------------|-----------------------|-----------------------|----------------------------|--|-----------------------|----------------------------|
| | | Current Law | Tax Cuts and Jobs Act | Change (Percentage Points) | Current Law | Tax Cuts and Jobs Act | Change (Percentage Points) |
| Lowest Quintile | 49,870 | 5.0 | 3.6 | -1.4 | 18.8 | 17.4 | -1.4 |
| Second Quintile | 41,500 | 16.8 | 14.0 | -2.9 | 30.6 | 27.7 | -2.9 |
| Third Quintile | 36,190 | 19.2 | 17.0 | -2.2 | 32.8 | 30.6 | -2.2 |
| Fourth Quintile | 29,960 | 20.7 | 18.8 | -1.9 | 34.4 | 32.4 | -1.9 |
| Top Quintile | 25,530 | 31.4 | 28.9 | -2.6 | 39.2 | 36.6 | -2.6 |
| All | 184,220 | 25.3 | 23.0 | -2.3 | 35.8 | 33.5 | -2.3 |
| Addendum | | | | | | | |
| 80-90 | 13,210 | 25.2 | 22.9 | -2.3 | 37.3 | 35.0 | -2.3 |
| 90-95 | 6,260 | 27.8 | 24.9 | -2.8 | 36.5 | 33.7 | -2.8 |
| 95-99 | 4,860 | 33.1 | 29.9 | -3.2 | 39.1 | 36.0 | -3.2 |
| Top 1 Percent | 1,200 | 39.3 | 37.1 | -2.1 | 43.2 | 41.1 | -2.1 |
| Top 0.1 Percent | 120 | 39.4 | 37.7 | -1.7 | 43.2 | 41.5 | -1.7 |

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

(1) Calendar year. Baseline is current law. We calculate effective marginal tax rates by adding \$1,000 to wages and salaries and recomputing tax liability. Our computation includes the impact of the alternative minimum tax and the phase-in and phase-out of credits and other tax provisions. We assume that the increase in wages does not change the reported amount of any deductions, exclusions, or other forms of income. Effective marginal tax rates are weighted by current-law wages
(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% \$27,300; 40% \$53,400; 60% \$91,700; 80% \$153,800; 90% \$224,400; 95% \$308,900; 99% \$837,800; 99.9% \$4,704,600.