

Table T17-0287
Effective Marginal Individual Income Tax Rates (EMTR) On Capital Income
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, 2025¹

Expanded Cash Income Percentiles ^{2,3}	Tax Units (thousands)	Long-term Capital Gains			Qualified Dividends			Interest Income		
		Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)	Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)	Current Law	Tax Cuts and Jobs Act	Change (Percentage Points)
Lowest Quintile	49,870	1.8	2.1	0.3	0.5	0.5	0.0	3.2	2.7	-0.4
Second Quintile	41,500	1.5	1.6	0.1	1.1	1.2	0.0	8.4	7.3	-1.1
Third Quintile	36,190	8.9	8.7	-0.2	11.2	10.7	-0.5	20.7	17.8	-2.9
Fourth Quintile	29,960	10.9	12.0	1.1	11.3	11.8	0.5	23.3	20.7	-2.6
Top Quintile	25,530	22.8	22.2	-0.6	22.5	21.7	-0.8	35.3	35.3	0.0
All	184,220	20.6	20.6	-0.1	20.1	19.5	-0.6	29.0	28.9	-0.1
Addendum										
80-90	13,210	14.3	14.9	0.6	14.5	15.0	0.5	25.1	23.0	-2.1
90-95	6,260	17.6	16.6	-1.0	17.8	16.5	-1.3	29.8	27.0	-2.8
95-99	4,860	22.6	19.9	-2.7	22.9	19.5	-3.4	35.4	32.0	-3.4
Top 1 Percent	1,200	23.9	23.6	-0.3	23.9	23.6	-0.3	37.8	39.4	1.6
Top 0.1 Percent	120	24.0	23.6	-0.4	23.9	23.6	-0.4	37.1	39.5	2.4

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 the income source 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 income does not change the reported amount of any deductions, exclusions, or other forms of income. Effective marginal tax rates are weighted by the appropriate income source.

(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.