

**Table T18-0054**  
**Distribution of Federal Payroll and Income Taxes by Expanded Cash Income Percentile, 2018<sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units		Percent of Tax Units With Positive:			Percent with Payroll Tax Greater Than Income Tax		
	Number (Thousands)	Percent of Total	Payroll Tax <sup>4</sup>	Income Tax <sup>5</sup>	Income Tax or Payroll Tax	All Tax Units	Tax Units with Payroll or Income Tax Liability	Tax Units with Payroll Tax Liability
<b>Lowest Quintile</b>	48,780	27.7	58.4	12.4	60.0	58.1	96.9	99.5
<b>Second Quintile</b>	38,760	22.0	71.9	40.8	77.6	70.0	90.2	97.4
<b>Middle Quintile</b>	34,280	19.5	80.6	71.6	93.7	74.1	79.1	92.0
<b>Fourth Quintile</b>	28,870	16.4	86.7	92.9	99.4	71.2	71.7	82.1
<b>Top Quintile</b>	24,300	13.8	92.6	99.0	99.9	45.7	45.8	49.4
<b>All</b>	176,100	100.0	75.0	55.3	82.3	64.2	78.0	85.7
<b>Addendum</b>								
<b>80-90</b>	12,490	7.1	91.7	98.8	99.9	65.3	65.4	71.2
<b>90-95</b>	6,020	3.4	93.5	99.1	99.9	41.3	41.3	44.2
<b>95-99</b>	4,650	2.6	93.8	99.4	99.9	9.9	9.9	10.6
<b>Top 1 Percent</b>	1,140	0.7	93.3	99.8	100.0	1.6	1.6	1.7
<b>Top 0.1 Percent</b>	120	0.1	91.8	99.9	100.0	1.2	1.2	1.3

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

(1) Calendar year. Tabulations are under current law as of May 3, 2018 and include both filing and non-filing units but exclude those that are dependents of other tax units. Tax units are considered to have positive payroll or income tax if their tax liability for the respective tax is greater than \$5. For more information on TPC's baseline definitions, see

<http://www.taxpolicycenter.org/resources/tpc-baseline-definitions>.

(2) 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) Includes the employee and employer portion of Social Security (OASDI) and Medicare (HI) taxes, self-employment taxes, and the additional HI tax implemented in the Affordable Care Act (ACA).

(5) Individual income tax after refundable credits.

(6) Includes the employee portion of Social Security (OASDI) and Medicare (HI) taxes, half of self-employment taxes, and the additional HI tax implemented in the ACA.

(7) Average tax as a percentage of average expanded cash income.

Table T18-0054

## Distribution of Federal Payroll and Income Taxes by Expanded Cash Income

Expanded Cash Income Percentile <sup>2,3</sup>	Percent with Employee Share of Payroll Tax Greater Than Income Tax <sup>6</sup>			Average Effective Tax Rate <sup>7</sup>	
	All Tax Units	Tax Units		Income Tax	Payroll Tax
		with Payroll or Income Tax Liability	Tax Units with Payroll Tax Liability		
Lowest Quintile	57.9	96.6	99.2	-5.0	6.4
Second Quintile	66.6	85.8	92.7	-2.0	7.5
Middle Quintile	50.7	54.2	63.0	2.6	7.9
Fourth Quintile	40.1	40.3	46.2	5.5	8.3
Top Quintile	12.6	12.6	13.6	14.4	6.0
All	49.2	59.7	65.6	8.6	6.9
<b>Addendum</b>					
80-90	20.3	20.3	22.1	7.8	8.7
90-95	6.3	6.3	6.8	10.0	8.0
95-99	2.8	2.8	3.0	13.4	6.1
Top 1 Percent	1.3	1.3	1.4	23.5	2.5
Top 0.1 Percent	1.0	1.0	1.1	24.9	1.4

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

(1) Calendar year. Tabulations are under current law as of May 3, 2018 and include both filing and non-filing units but exclude those that are dependents of other tax units. Tax units are considered to have positive payroll or income tax if their tax liability for the respective tax is greater than \$5. For more information on TPC's baseline definitions, see

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