

Table T20-0126
Distribution of Tax Units with Business Income by Statutory Marginal Tax Rate, 2019

Statutory Marginal Income Tax Rate ¹	All Tax Units		Tax Units with Business Income ²			Percent of Tax Units with Business Income					Tax Units with Business Income		Business Income as Percent of Total AGI of Bracket
	Number (thousands)	Percent of Total	Number (thousands)	Percent of Total	Percent of Bracket	Less than 0	Greater than 0	Greater than 10% of AGI	Greater than 25% of AGI	Greater than 50% of AGI	Amount (\$ billions)	Average (\$)	
Non-filers	26,520	15.2	**	**	**	**	**	**	**	**	**	**	**
0%	28,430	16.3	9,050	23.1	31.8	6.9	24.9	24.5	22.5	20.2	-2.0	-230	-1.1
10%	25,250	14.5	5,090	13.0	20.2	4.7	15.5	13.0	10.5	8.5	52.9	10,390	8.4
12%	53,150	30.4	11,420	29.1	21.5	8.2	13.2	7.4	4.9	3.0	103.9	9,100	3.5
22%	29,680	17.0	8,250	21.0	27.8	11.7	16.1	7.3	4.6	2.6	118.9	14,420	3.6
24%	8,450	4.8	3,140	8.0	37.2	15.6	21.6	11.5	7.9	4.8	116.3	37,040	6.6
26% (AMT)	80	*	60	0.2	82.5	47.8	34.7	13.4	9.9	5.6	-14.1	-228,600	-6.8
28% (AMT)	80	*	60	0.2	79.5	28.2	51.3	27.4	17.1	10.6	2.6	42,310	1.1
33%	1,000	0.6	470	1.2	46.9	15.5	31.5	18.9	14.7	10.0	42.7	91,010	12.8
35%	1,180	0.7	660	1.7	56.1	16.8	39.2	24.7	19.7	14.2	94.0	141,640	16.8
37.0%	870	0.5	640	1.6	73.2	16.2	57.0	40.5	34.5	27.4	512.8	806,790	27.3
All	174,690	100.0	39,230	100.0	22.5	7.4	15.1	10.6	8.4	6.6	1,030.0	26,250	8.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-2).

Note: Calendar year. Baseline is the law in place for 2019 as of March 17, 2020. Tax units that are dependents of other tax units are excluded from the analysis.

* Non-zero value rounded to zero; ** Insufficient data.

(1) Statutory rate is based on taxable income net of capital gains and qualified dividends.

(2) Includes all tax units reporting non-zero business income. Business income includes income or loss from a) non-farm sole proprietors (Schedule C); b) farming (Schedule F); c) rental real estate (Schedule E Part I); d) partnerships (Schedule E Part II); and e) S corporations (Schedule E Part II).