

**Table T20-0154**  
**Individual Income Tax on Long-Term Capital Gains and Qualified Dividends**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2017<sup>1</sup>**  
**Summary Table**

Expanded Cash Income Percentile <sup>2,3</sup>	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends <sup>4</sup>		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 <sup>5</sup>	On All Other Income <sup>6</sup>
Lowest Quintile	44,680	3.4	2,290	0.1	**	*	**	**
Second Quintile	37,240	8.0	3,100	1.0	280	0.1	7.5	-2.7
Middle Quintile	34,410	15.9	5,120	7.5	490	0.7	7.8	13.1
Fourth Quintile	28,710	26.4	7,080	15.9	890	2.4	9.7	15.6
Top Quintile	24,100	48.6	75,760	42.6	16,310	96.8	19.1	26.6
All	170,420	17.4	33,730	10.5	9,680	100.0	18.5	25.3
<b>Addendum</b>								
80-90	12,390	36.8	10,000	29.2	1,370	2.9	11.9	16.9
90-95	5,960	51.1	15,790	46.0	2,200	3.5	13.1	19.4
95-99	4,630	68.1	35,000	64.2	5,860	10.1	16.0	23.9
Top 1 Percent	1,130	85.4	711,060	84.2	146,820	80.4	20.5	34.2
Top 0.1 Percent	120	94.3	4,657,820	93.7	963,930	60.1	20.6	36.9

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

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

(1) Calendar year. Baseline is current law for 2017 as of March 17, 2020. 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 2019 dollars): 20% \$24,600; 40% \$49,600; 60% \$88,700; 80% \$161,300; 90% \$236,800; 95% \$336,600; 99% \$780,700; 99.9% \$3,306,600.

(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.