

**Table T21-0198**  
**Individual Income Tax on Long-Term Capital Gains and Qualified Dividends**  
**Baseline: Current Law**  
**Distribution of Federal Tax Change by Cash Income Level, 2018 <sup>1</sup>**  
**Summary Table**

Expanded Cash Income Level (thousands of 2020 dollars) <sup>2</sup>	All Tax Units (thousands)	Tax Units Reporting Gains or Qualified Dividends <sup>3</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>4</sup>	On All Other Income <sup>5</sup>
Less than 10	11,160	2.2	1,700	*	**	*	**	**
10-20	21,800	3.1	1,670	0.2	**	*	**	**
20-30	19,140	5.6	3,550	0.3	**	*	**	**
30-40	15,470	8.4	3,350	0.9	310	*	10.7	-15.2
40-50	13,270	11.3	3,400	2.8	190	*	4.8	3.1
50-75	24,870	14.6	5,380	6.1	430	0.3	6.7	9.3
75-100	16,960	21.9	6,920	13.2	740	0.9	8.3	12.2
100-200	30,820	29.4	10,200	19.6	1,360	4.2	10.4	13.1
200-500	14,510	50.4	21,740	46.0	3,320	11.4	14.2	17.1
500-1,000	1,860	77.4	66,440	75.1	12,170	8.8	17.9	23.8
More than 1,000	790	87.4	1,013,970	86.6	209,970	74.3	20.5	32.4
All	171,890	18.1	36,530	11.2	10,110	100.0	18.2	22.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0721-1).

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

(1) Calendar year. Baseline is current law for 2018 as of July 19, 2021. 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) Tax units reporting long-term positive gains and qualified dividends.

(4) Average individual income tax on long-term positive capital gains and qualified dividends as a percentage of gains and qualified dividends.

(5) Average individual income tax as a percentage of nongain taxable income.