

Table T22-0117
Effective Marginal Tax Rates on Wages, Salaries, and Capital Income
By Expanded Cash Income Level, 2025¹

Expanded Cash Income Level (thousands of 2022 dollars) ²	Tax Units (thousands)	Individual Income Tax ³				Individual Income Tax plus Payroll Tax ⁴
		Wages and Salaries	Long-term Capital Gains	Qualified Dividends	Interest Income	Wages and Salaries
Less than 10	8,100	-7.8	1.0	0.1	0.1	5.9
10-20	19,300	-0.6	0.3	0.2	1.2	13.3
20-30	18,950	6.8	0.7	0.3	1.4	20.7
30-40	15,980	13.7	0.3	0.7	4.2	27.5
40-50	14,000	15.8	1.2	1.4	8.5	29.6
50-75	26,140	15.9	4.5	4.0	13.6	29.6
75-100	19,300	17.6	8.4	8.8	16.5	31.3
100-200	36,330	19.4	11.4	11.4	19.0	32.9
200-500	20,510	24.4	17.0	16.3	25.5	33.6
500-1,000	2,960	32.9	20.5	19.7	33.6	37.9
More than 1,000	1,170	36.1	22.7	23.7	36.1	40.0
All	184,260	22.9	19.8	18.1	25.4	33.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0722-2).

(1) Calendar year. Baseline is current law as of 10/13/2022. Effective marginal tax rates are weighted by the appropriate income source. For more information on TPC's baseline definitions, 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) We calculate each tax unit's effective marginal individual income tax rate by adding \$1,000 to the income source and dividing the resulting tax change by that \$1,000. We then calculate the averages by weighting by the initial value of the appropriate income source. Average EMTRs on capital income for the lowest income classes are based on a relatively small number of observations.

(4) We calculate each tax unit's effective marginal individual plus payroll tax rate by adding \$1,000 to wages and salaries. We then divide the resulting change in individual income tax plus the resulting change in the employer and employee portions of payroll taxes for Social Security and Medicare by that \$1,000. We then calculate the averages by weighting by the initial value of wages and salaries. For married couples filing jointly, we assign a portion of the \$1,000 increase to each spouse based on their initial shares of the household's total wages and salaries.