

**Table T10-0184**  
**Bipartisan Tax Fairness and Simplification Act of 2010 vs. Current Law**  
**Number of Tax Units with a Change in Effective Marginal Tax Rate**  
**on Capital Gains by Cash Income Percentile, 2014<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units with Positive Long-Term Gains (thousands) <sup>4</sup>	Tax Units with a Change in Effective Marginal Rate on Capital Gains Relative to Current Law		
		Percent with Increase	Percent with Decrease	Percent with No Change
Lowest Quintile	714	0.8	36.3	63.0
Second Quintile	1,219	26.7	44.4	28.9
Middle Quintile	2,059	24.3	64.6	11.1
Fourth Quintile	3,394	24.7	70.6	4.7
Top Quintile	6,451	33.9	63.5	2.6
<b>All</b>	<b>13,910</b>	<b>27.8</b>	<b>62.0</b>	<b>10.2</b>
<b>Addendum</b>				
<b>80-90</b>	2,352	26.9	70.6	2.6
<b>90-95</b>	1,671	20.8	76.4	2.8
<b>95-99</b>	1,776	37.8	59.9	2.3
<b>Top 1 Percent</b>	652	82.5	14.8	2.7
<b>Top 0.1 Percent</b>	86	89.9	7.4	2.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-4).

(1) Calendar year. Baseline is current law. Effective marginal rate is determined by calculating individual income tax, and then adding \$1,000 to long-term capital gains and recomputing individual income tax. The effective marginal rate is the resulting change in tax divided by \$1,000. Analysis is restricted to tax units reporting net positive long-term gains. Estimates do not include the Medicare surtax enacted as part of the health reform legislation.

(2) Tax units with negative cash income are excluded from the lowest quintile but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash 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 2009 dollars): 20% \$19,925, 40% \$38,371, 60% \$67,991, 80% \$116,859, 90% \$169,290, 95% \$237,098, 99% \$632,966, 99.9% \$2,923,051.

(4) Includes both filing and nonfiling units but excludes those that are dependents of other tax units.