

**Table T12-0053**  
**Effective Marginal Individual Income Tax Rates (EMTR)**  
**Administration's FY2013 Budget Proposals**  
**Individual Income Tax Provisions**  
**Distribution by Cash Income Percentile, 2015<sup>1</sup>**

Cash Income Percentiles <sup>2,3</sup>	Tax Units (thousands) <sup>4</sup>	Average Effective Marginal Individual Income Tax Rates			Percent of Tax Units with a Change in Effective Marginal Individual Income Tax Rates				<i>Memo</i> : Percent of Tax Units with No Earnings <sup>5</sup>
		Current Law	Current Policy	Budget Proposal	Relative to Current Law		Relative to Current Policy		
					Increase in EMTR	Decrease in EMTR	Increase in EMTR	Decrease in EMTR	
<b>Lowest Quintile</b>	43,801	4.3	0.6	0.4	1.7	24.8	1.4	4.2	44.1
<b>Second Quintile</b>	38,297	18.3	17.2	17.0	5.3	28.6	1.7	13.3	24.8
<b>Third Quintile</b>	33,246	21.1	18.8	18.7	4.9	45.8	2.0	13.1	15.5
<b>Fourth Quintile</b>	27,764	25.2	20.3	20.3	5.2	68.6	3.9	11.3	11.5
<b>Top Quintile</b>	24,598	32.5	29.4	32.1	18.8	64.6	14.8	9.8	10.1
<b>All</b>	168,946	26.8	23.6	24.8	6.2	42.6	3.9	10.0	23.9
<b>Addendum</b>									
<b>80-90</b>	12,369	27.7	26.2	26.2	18.1	68.8	2.9	7.5	10.0
<b>90-95</b>	6,040	31.3	28.1	28.2	6.6	74.9	5.4	11.7	8.5
<b>95-99</b>	4,936	35.0	32.8	37.9	36.3	43.0	41.7	14.1	11.4
<b>Top 1 Percent</b>	1,253	39.7	32.4	39.9	17.0	58.7	70.3	6.3	12.9
<b>Top 0.1 Percent</b>	129	40.1	34.0	40.4	12.1	56.3	78.1	3.1	12.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-3).

(1) Calendar year. The proposal contains all the individual income tax provisions in the Administration's FY2013 Budget Proposal. Effective marginal rate is determined by calculating individual income tax and then adding \$1,000 to wages and recomputing individual income tax. Values are averages, weighted by the dollar value of wages and salaries.

(2) Tax units with negative cash income are excluded from the lowest income class 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 2011 dollars): 20% \$19,342; 40% \$39,862; 60% \$69,074; 80% \$119,546; 90% \$169,987; 95% \$242,597; 99% \$629,809; 99.9% 2,868,534.

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

(5) Tax units with no earnings (defined as wages and salaries plus self-employment income) are not included in the higher and lower columns.