

Table T14-0092
Repeal the Individual Alternative Minimum Tax (AMT)
Effective Marginal Tax Rates on Wages, Salaries, and Capital Income
By Expanded Cash Income Level, 2023¹

Expanded Cash Income Level (thousands of 2013 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	
		Current		Current		Current		Current		Current	
		Law	Proposal	Law	Proposal	Law	Proposal	Law	Proposal	Law	Proposal
Less than 10	9,043	-6.2	-6.2	0.1	0.1	0.1	0.1	0.2	0.2	8.6	8.6
10-20	20,699	1.3	1.3	0.5	0.5	0.5	0.5	4.7	4.7	16.2	16.2
20-30	20,458	10.2	10.2	1.0	1.0	1.5	1.5	6.5	6.5	25.0	25.0
30-40	14,732	14.8	14.7	0.5	0.5	1.7	1.7	11.4	11.4	29.6	29.6
40-50	12,189	16.7	16.7	2.6	2.6	4.3	4.3	17.6	17.6	31.4	31.3
50-75	25,931	18.5	18.5	7.8	7.6	11.0	11.0	22.7	22.6	33.3	33.2
75-100	17,156	19.8	19.4	8.2	8.1	10.2	10.1	20.9	20.8	34.4	34.1
100-200	34,475	22.1	21.8	11.2	11.1	12.8	12.7	24.0	23.9	36.4	36.2
200-500	13,749	28.9	27.9	18.6	16.8	19.6	17.5	31.2	29.5	38.3	37.3
500-1,000	1,460	34.6	37.1	22.0	20.9	23.8	21.6	36.7	37.0	39.4	41.9
More than 1,000	974	40.1	40.5	23.6	23.7	24.4	24.5	38.7	39.3	44.1	44.4
All	172,542	25.1	24.9	20.9	20.6	19.9	19.3	27.6	27.4	36.5	36.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-5).

(1) Calendar year. A tax unit's effective marginal individual income tax rate is calculated by adding \$1,000 to the income source and then dividing the resulting tax change by \$1,000. The averages are calculated by weighting by the initial value by the appropriate income source.

(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.

(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.