



## Analyzing President Trump's Proposed Capital Gains and Dividend Tax Cut

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<https://budgetmodel.wharton.upenn.edu/estimates/2020/9/25/analyzing-president-trumps-proposed-capital-gains-and-dividend-tax-cut>

Summary: PWBM estimates that reducing the top preferential rates on capital gains and dividends from 20 percent to 15 percent will cost \$98.6 billion dollars over the ten year budget window. This tax cut will only benefit tax units in the top 5 percent of the income distribution, with 75 percent of the benefit accruing to those in the top 0.1 percent of the income distribution. Please refer to our analysis of the estimate\* for more information.

\* <https://budgetmodel.wharton.upenn.edu/issues/2020/9/25/analyzing-president-trumps-proposed-capital-gains-and-dividend-tax-cut>

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**Table 1. Conventional Revenue Estimate, Fiscal Years 2021 - 2030**

*Billions of Dollars, Change from Current-Law Baseline*

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Window Total
-7.5	-9.5	-9.7	-10	-10.4	-9.3	-9.7	-10.3	-10.8	-11.4	-98.6



**Table 2. Distribution of Federal Tax Change, Calendar Year 2021**

Including corporate income tax burden							
Income Group	Average Tax Change	Share With A Tax Cut	Average Tax Cut	Percent Change	Share Of Tax Change	Share Of Federal Taxes Paid	
			for Those with a Tax Change	In After Tax Income		Before Tax Cut	After Tax Cut
Bottom quintile	\$0	0%	\$0	0%	0%	0.1%	0.1%
Second quintile	\$0	0%	\$0	0%	0%	3.0%	3.0%
Middle quintile	\$0	0%	\$0	0%	0%	10.5%	10.6%
Fourth quintile	\$0	0%	\$0	0%	0%	18.9%	19.1%
80-90%	\$0	0%	\$0	0%	0%	14.7%	14.8%
90-95%	\$0	0%	\$0	0%	0%	10.9%	11.0%
95-99%	-\$115	8%	-\$1,455	0%	2%	16.3%	16.4%
99-99.9%	-\$6,625	76%	-\$8,675	1%	23%	12.7%	12.6%
Top 0.1%	-\$191,550	91%	-\$211,700	3%	75%	12.8%	12.2%