

PERCENTAGE DISTRIBUTION OF
 THE AGGREGATE TAX CHANGE OF A CAPITAL GAINS EXCLUSION AND
 A PROPOSAL TO INDEX THE COST BASIS OF CERTAIN CAPITAL ASSETS,
 1985¹

Income Class ²	Capital Gains Exclusion ^{3,5}	Indexation of the Cost Basis ^{4,5}
Less than \$10,000.....	0.2%	0.3%
10,000 - 20,000.....	0.5	1.2
20,000 - 30,000.....	1.4	2.6
30,000 - 40,000.....	1.4	2.6
40,000 - 50,000.....	1.9	4.6
50,000 - 75,000.....	6.3	11.7
75,000 - 100,000.....	6.3	10.5
100,000 - 200,000.....	13.9	20.7
200,000 and Above.....	68.1	45.9
Total.....	100.0%	100.0%

NOTE: Details may not add to totals due to rounding.

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- ¹ Net long-term capital gains (i.e., gains held over 1 year) in excess of short-term losses actually reported by individual taxpayers on Schedule D, Form 1040.
 - ² Adjusted gross income plus excluded capital gains.
 - ³ Assumes the 60% exclusion that was in effect for 1985.
 - ⁴ Indexation of the cost basis for capital gains only, for inflation occurring from the time the property was acquired or 1914, whichever is later.
 - ⁵ These data are the result of calculations performed by the Joint Committee on Taxation from the 1985 Sales of Capital Assets Study; Statistics of Income Division, Internal Revenue Service (unpublished).