

Federal Individual Income Tax: Exemptions and Treatment of Dividends Income Years 1913-2006

Income Years	Personal and Dependents Exemption		Amount for Each Dependent	Treatment of Dividends
	Married Person(a)	Single Person		
Tariff Act of 1913				
1913	4000 (b)	\$3,000	None	Exempt
1914	\$4,000	\$3,000	None	Exempt
1915	\$4,000	\$3,000	None	Exempt
1916	4,000	3,000	None	Exempt
Revenue Act of 1917				
1917	2,000	1,000	200	Exempt
1918	2,000	1,000	200	Exempt
1919	2,000	1,000	200	Exempt
1920	2,000	1,000	200	Exempt
Revenue Act of 1921(c)				
1921	2,500	1,000	400	Exempt
1922	2,500	1,000	400	Exempt
1923	2,500	1,000	400	Exempt
1924	2,500	1,000	400	Exempt
Revenue Act of 1925				
1925	3,500	1,500	400	Exempt
1926	3,500	1,500	400	Exempt
1927	3,500	1,500	400	Exempt
1928	3,500	1,500	400	Exempt
1929	3,500	1,500	400	Exempt
1930	3,500	1,500	400	Exempt
1931	3,500	1,500	400	Exempt
Revenue Act of 1932				
1932	2,500	1,000	400	Exempt
1933	2,500	1,000	400	Exempt
1934	2,500	1,000	400	Exempt
1935	2,500	1,000	400	Exempt
Revenue Act of 1936				
1936	2,500	1,000	400	Fully taxable
1937	2,500	1,000	400	Fully taxable
1938	2,500	1,000	400	Fully taxable
1939	2,500	1,000	400	Fully taxable
Revenue Act of 1940				
1940	2000 (d)	800	400	Exempt
Revenue Act of 1941				
1941	1,500	750	400	Exempt
Revenue Act of 1942				
1942	1,200	500	350	Exempt
1943	1,200	500	350	Exempt
Revenue Act of 1944				
1944	1,000(e)	500(e)	500(e)	Exempt
1945	1,000	500	500	Exempt
1946	1,000	500	500	Exempt
1947	1,000	500	500	Exempt

Revenue Act of 1948

1948	1,200	600	600	Exempt
1949	1,200	600	600	Exempt
1950	1,200	600	600	Exempt
1951	1,200	600	600	Exempt
1952	1,200	600	600	Exempt
1953	1,200	600	600	Exempt

Internal Revenue Code of 1954

1954	1,200	600	600	First \$50 exempt
1955	1,200	600	600	First \$50 exempt
1956	1,200	600	600	First \$50 exempt
1957	1,200	600	600	First \$50 exempt
1958	1,200	600	600	First \$50 exempt
1959	1,200	600	600	First \$50 exempt
1960	1,200	600	600	First \$50 exempt
1961	1,200	600	600	First \$50 exempt
1962	1,200	600	600	First \$50 exempt
1963	1,200	600	600	First \$50 exempt

Revenue Act of 1964

1964	1,200	600	600	First \$100 exempt
1965	1,200	600	600	First \$100 exempt
1966	1,200	600	600	First \$100 exempt
1967	1,200	600	600	First \$100 exempt
1968	1,200	600	600	First \$100 exempt
1969	1,200	600	600	First \$100 exempt

Tax Reform Act of 1969

1970	1,250	625	625	First \$100 exempt
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Revenue Act of 1971

1971	1,350(f)	675(f)	675(f)	First \$100 exempt
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Revenue Act of 1972

1972	1,500	750	750	First \$100 exempt
1973	1,500	750	750	First \$100 exempt
1974	1,500	750	750	First \$100 exempt
1975	1,500	750	750	First \$100 exempt
1976	1,500	750	750	First \$100 exempt
1977	1,500	750	750	First \$100 exempt
1978	1,500	750	750	First \$100 exempt

Revenue Act of 1979

1979	2,000	1,000	1,000	First \$100 exempt
1980	2,000	1,000	1,000	First \$100 exempt

Crude Oil Windfall Profits Tax of 1980

Economic Recovery Tax Act of 1981 (h)

1981	2,000	1,000	1,000	(g)
1982	2,000	1,000	1,000	(g)
1983	2,000	1,000	1,000	(g)
1984	2,000	1,000	1,000	(g)
1985	2,000	1,000	1,000	First \$100 exempt
1985	2,080(h)	1,040(h)	1,040(h)	Fully taxable
1986	2,160(h)	1,080(h)	1,080(h)	Fully taxable

Tax Reform Act of 1986

1987	3,800	1,900	1,900	Fully taxable
1988(i)	3,900	1,950	1,950	Fully taxable
1989	4,000(h)	2,000(h)	2,000(h)	Fully taxable

Omnibus Budget Reconciliation of 1990

1990 (j)	4,100	2,050	2,050	Fully taxable
1991	4,300	2,150	2,150	Fully taxable
1992	4,600	2,300	2,300	Fully taxable
1993	4,700	2,350	2,350	Fully taxable
1994	4,900	2,450	2,450	Fully taxable
1995	5,000	2,500	2,500	Fully taxable
1996	5,100	2,550	2,550	Fully taxable
1997	5,300	2,650	2,650	Fully taxable
1998	5,400	2,700	2,700	Fully taxable
1999	5,500	2,750	2,750	Fully taxable
2000	5,600	2,800	2,800	Fully taxable
2001	5,700	2,850	2,850	Fully taxable
2002	6,000	3,000	3,000	Fully taxable
Job and Growth Tax Relief Reconciliation Act of 2003				
2003	6,100	3,050	3,050	15 percent
2004	6,200	3,100	3,100	15 percent
2005	6,200	3,200	3,200	15 percent
2006	6,600	3,300	3,300	15 percent

(a) For the years 1916-1943, the personal exemption allowed to married persons was also allowed to heads of families. For 1948 and subsequent years, an additional exemption is granted to persons over 65 and to the blind.

(b) Tariff Act of October 3, 1913. Tax effective on income for last 10 months in 1913.

(c) For net incomes in excess of \$5,000, personal exemption was \$2,000.

(d) Revenue acts passed after February 10, 1939 (the date of the enactment of the Internal Revenue Code) and prior to 1954 are not complete taxing statutes in themselves, but consist of amendments to the 1939 Code.

(e) Surtax exemptions, 1944 and 1945; in these years the normal tax exemption was \$500 per taxpayer.

(f) Increased personal and dependency exemptions to \$750 effective for one-half of year 1971.

(g) For 1981-1982, the first \$200 of combined dividend and interest income (\$400 for joint returns) is exempt. For income years 1981-1986, up to \$750 (\$1,500 for joint returns) of reinvested dividends of public utilities is exempt.

(h) Effective in 1985-1986, and after 1989, personal exemption allowances are adjusted by changes in the CPI

(i) Beginning in 1988, the personal exemption will be phased out for higher income taxpayers.

(j) For tax years beginning after 1990, personal exemptions are phased out for high-income taxpayers.

Source: Tax Foundation, Treasury Department and Commerce Clearing House.