

Fiscal Fact

October 20, 2011

No. 285

Summary of Latest Federal Individual Income Tax Data

By

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The Internal Revenue Service has released new data on individual income taxes, reporting on calendar year 2009. The year saw no economic improvement from 2008 as unemployment continued to increase.

The amount of individual income tax paid steeply declined by \$166 billion, twice the decline from 2007 to 2008. Nationally, average effective income tax rates were at their lowest levels since the IRS began tracking them in 1986. The average tax rate for returns with a positive liability went from 12.24 percent in 2008 to 11.06 percent in 2009.

As the data below show, incomes reported by tax returns at the high end of the income spectrum fell from 2008 to 2009, as did their share of the nation's income and income taxes paid. In 2009, the top 1 percent of tax returns paid 36.7 percent of all federal individual income taxes and earned 16.9 percent of adjusted gross income (AGI), compared to 2008 when those figures were 38.0 percent and 20.0 percent, respectively. Both of those figures—share of income and share of taxes paid—were their lowest since 2003 when the top 1 percent earned 16.7 percent of adjusted gross income and paid 34.3 percent of federal individual income taxes.

Each year from 2005 to 2007, the top 1 percent's constantly growing share of income earned and taxes paid set a record. The 2008 reversal of this trend continued in 2009. In fact, the income share for the top 1 percent of tax returns was lower in 2009 than in 2000, largely due to differences in capital gains.

Another indicator of this reversal in the income and tax shares of the top 1 percent is that, as in 2008, the top 1 percent no longer pays a larger percentage of total income tax than the bottom 95 percent. This trend was exacerbated by the aforementioned precipitous drop in AGI in 2009. During 2009, the bottom 95 percent (AGI under \$154,643) paid 41.3 percent of the total collected, a larger share than the 36.7 percent paid by the top 1 percent (AGI over \$343,947).

The top-earning 5 percent of taxpayers (AGI equal to or greater than \$154,643), however, still paid far more than the bottom 95 percent. The top 5 percent earned 31.7 percent of the nation's adjusted gross income, but paid approximately 58.7 percent of federal individual income taxes.

Since 2001, the IRS has also been presenting data on a small subset of the top 1 percent, the top 0.1 percent (the top 10 percent of the top 1 percent). In 2009, this top 0.1 percent filed 137,982 tax returns, reporting 7.8 percent of all adjusted gross income earned and paying approximately 17.1 percent of the nation's federal individual income taxes. The average income for a tax return in the top 0.1 percent was \$4.4 million in 2009, while the average amount of

income tax paid was \$1.07 million, indicating an average effective individual income tax rate of 24.3 percent. It is worth noting that while the average income of a taxpayer in the top 0.1 percent declined in 2009, the effective tax rate for this group actually rose from 2008 to 2009. This counterintuitive result is explained by the diminished capital gains and dividend income on high-income tax returns, income sources that are taxed at lower rates. With their 2009 income more dominated by ordinary income taxed at higher rates, their average rate on high-income consequently rose.

[Note: This very top income group actually has a lower average effective income tax rate than the rest of the top 1 percent of returns because these extremely high-income returns are more likely to have income from capital gains and dividends, which are typically taxed at lower rates. It's worth pointing out that in the case of capital gains and dividends, income derived from these sources has already been taxed once by the corporate income tax, which is not included here, meaning the average effective tax rate numbers can be somewhat misleading.]

Overall, these data on high-income tax returns appear to confirm that the continued economic stagnation had the same diminishing effect on income inequality that most recessions have, and that it occurred for the same reason: a sharp decline in income at the high end. This appears to contradict [reports based upon Census data suggesting the opposite](#),¹ that the recession increased income inequality. This inconsistency between IRS data and Census data is explained by a number of factors such as: (1) Census doesn't break down data for the extremely high-income tax returns (it typically stops at the 5 percent threshold), (2) Census income measures do not account for capital gains realizations, and (3) Census data gathered from household surveys are less reliable for income information at the high end of the income spectrum than IRS data.

The IRS data below include all of the 137.98 million tax returns filed in 2009 that had a positive AGI, not just the returns from people who earned enough to owe taxes. These figures exclude those tax returns filing a return merely to receive a stimulus check.

From other IRS data, we can see that in 2009, around 59 million tax returns were filed with either positive or negative AGI that used exemptions, deductions and tax credits to completely wipe out their federal income tax liability. Not only did they get back every dollar that the federal government withheld from their paychecks during 2009, but some even received more money back from the IRS. This is a result of refundable tax credits like the earned income tax credit (EITC), the refundable portion of which is not included in the aggregate percentile data here. (For a detailed paper on the distribution of the entire U.S. fiscal system, including all federal, state and local taxes, read "[Who Pays Taxes and Who Receives Government Spending? An Analysis of Federal, State and Local Tax and Spending Distributions, 1991 - 2004.](#)"²)

Including all tax returns that had a positive AGI, taxpayers with an AGI of \$159,643 or more in 2009 constituted the nation's top 5 percent of income earners. To break into the top 1 percent, a tax return had to have an AGI of \$343,947 or more, which was 10 percent lower than the 2008 threshold of \$380,354. The income threshold to break into the top 0.1 percent also fell dramatically from 2008 to 2009, from about \$1.8 million in 2008 to \$1.4 million in 2009.

Although the 2001 and 2003 tax cuts were across the board (even though certain provisions within those cuts were targeted at various income ranges), the federal individual income tax remains highly progressive. The average tax rate in 2009 ranged from around 1.9 percent of income for the bottom half of tax returns to 24.0 percent for the top 1 percent. With the possible exception of the estate tax, the federal income tax is the most progressive tax in the United States, and these numbers show why.

¹ See, for example, http://news.salon.com/2010/09/28/us_census_recession_s_impact_1/.

² Andrew Chamberlain and Gerald Prante, *Tax Foundation Working Paper 1*, "[Who Pays Taxes and Who Receives Government Spending? An Analysis of Federal, State and Local Tax and Spending Distributions, 1991 - 2004.](#)" <http://www.taxfoundation.org/files/wp1.pdf>.

The source for the following charts is the Internal Revenue Service, <http://www.irs.gov/taxstats/indtaxstats/article/0,,id=133521,00.html> ("Individual Income Tax Returns with Positive Adjusted Gross Income (AGI) Returns Classified by Tax Percentile - Early Release").

Table 1

| Summary of Federal Income Tax Data, 2009 | | | | | | | |
|---|--|--------------------------|--|-----------------------------------|--------------------------------------|---------------------------|-------------------------|
| | Number of Returns with Positive AGI | AGI (\$ millions) | Income Taxes Paid (\$ millions) | Group's Share of Total AGI | Group's Share of Income Taxes | Income Split Point | Average Tax Rate |
| All Taxpayers | 137,982,203 | \$7,825,389 | \$865,863 | 100.0% | 100.0% | - | 11.06% |
| Top 1% | 1,379,822 | \$1,324,572 | \$318,043 | 16.9% | 36.7% | \$343,927.00 | 24.01% |
| 1-5% | 5,519,288 | \$1,157,918 | \$189,864 | 14.8% | 22.0% | | 16.40% |
| Top 5% | 6,899,110 | \$2,482,490 | \$507,907 | 31.7% | 58.7% | \$154,643.00 | 20.46% |
| 5-10% | 6,899,110 | \$897,241 | \$102,249 | 11.5% | 11.8% | | 11.40% |
| Top 10% | 13,798,220 | \$3,379,731 | \$610,156 | 43.2% | 70.5% | \$112,124.00 | 18.05% |
| 10-25% | 20,697,331 | \$1,770,140 | \$145,747 | 22.6% | 17.0% | | 8.23% |
| Top 25% | 34,495,551 | \$5,149,871 | \$755,903 | 65.8% | 87.3% | \$ 66,193.00 | 14.68% |
| 25-50% | 34,495,551 | \$1,620,303 | \$90,449 | 20.7% | 11.0% | | 5.58% |
| Top 50% | 68,991,102 | \$6,770,174 | \$846,352 | 86.5% | 97.7% | > \$32,396 | 12.50% |
| Bottom 50% | 68,991,102 | \$1,055,215 | \$19,511 | 13.5% | 2.3% | < \$32,396 | 1.85% |

Source: Internal Revenue Service

Table 2

| Number of Federal Individual Income Tax Returns Filed 1980-2009 (In thousands) | | | | | | | | | | | |
|--|---------|----------|--------|--------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
| 1980 | 93,239 | | 932 | 4,662 | 4,662 | 9,324 | 13,986 | 23,310 | 23,310 | 46,619 | 46,619 |
| 1981 | 94,587 | | 946 | 4,729 | 4,729 | 9,459 | 14,188 | 23,647 | 23,647 | 47,293 | 47,293 |
| 1982 | 94,426 | | 944 | 4,721 | 4,721 | 9,443 | 14,164 | 23,607 | 23,607 | 47,213 | 47,213 |
| 1983 | 95,331 | | 953 | 4,767 | 4,767 | 9,533 | 14,300 | 23,833 | 23,833 | 47,665 | 47,665 |
| 1984 | 98,436 | | 984 | 4,922 | 4,922 | 9,844 | 14,765 | 24,609 | 24,609 | 49,218 | 49,219 |
| 1985 | 100,625 | | 1,006 | 5,031 | 5,031 | 10,063 | 15,094 | 25,156 | 25,156 | 50,313 | 50,313 |
| 1986 | 102,088 | | 1,021 | 5,104 | 5,104 | 10,209 | 15,313 | 25,522 | 25,522 | 51,044 | 51,044 |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | 106,155 | | 1,062 | 5,308 | 5,308 | 10,615 | 15,923 | 26,539 | 26,539 | 53,077 | 53,077 |
| 1988 | 108,873 | | 1,089 | 5,444 | 5,444 | 10,887 | 16,331 | 27,218 | 27,218 | 54,436 | 54,436 |
| 1989 | 111,313 | | 1,113 | 5,566 | 5,566 | 11,131 | 16,697 | 27,828 | 27,828 | 55,656 | 55,656 |
| 1990 | 112,812 | | 1,128 | 5,641 | 5,641 | 11,281 | 16,922 | 28,203 | 28,203 | 56,406 | 56,406 |
| 1991 | 113,804 | | 1,138 | 5,690 | 5,690 | 11,380 | 17,071 | 28,451 | 28,451 | 56,902 | 56,902 |
| 1992 | 112,653 | | 1,127 | 5,633 | 5,633 | 11,265 | 16,898 | 28,163 | 28,163 | 56,326 | 56,326 |
| 1993 | 113,681 | | 1,137 | 5,684 | 5,684 | 11,368 | 17,052 | 28,420 | 28,420 | 56,841 | 56,841 |
| 1994 | 114,990 | | 1,150 | 5,749 | 5,749 | 11,499 | 17,248 | 28,747 | 28,747 | 57,495 | 57,495 |
| 1995 | 117,274 | | 1,173 | 5,864 | 5,864 | 11,727 | 17,591 | 29,319 | 29,319 | 58,637 | 58,637 |
| 1996 | 119,442 | | 1,194 | 5,972 | 5,972 | 11,944 | 17,916 | 29,860 | 29,860 | 59,721 | 59,721 |
| 1997 | 121,503 | | 1,215 | 6,075 | 6,075 | 12,150 | 18,225 | 30,376 | 30,376 | 60,752 | 60,752 |
| 1998 | 123,776 | | 1,238 | 6,189 | 6,189 | 12,378 | 18,566 | 30,944 | 30,944 | 61,888 | 61,888 |
| 1999 | 126,009 | | 1,260 | 6,300 | 6,300 | 12,601 | 18,901 | 31,502 | 31,502 | 63,004 | 63,004 |
| 2000 | 128,227 | | 1,282 | 6,411 | 6,411 | 12,823 | 19,234 | 32,057 | 32,057 | 64,114 | 64,114 |
| 2001 | 128,817 | 129 | 1,288 | 6,441 | 6,441 | 12,882 | 19,323 | 32,204 | 32,204 | 64,409 | 64,409 |
| 2002 | 128,324 | 128 | 1,283 | 6,416 | 6,416 | 12,832 | 19,249 | 32,081 | 32,081 | 64,162 | 64,162 |
| 2003 | 128,610 | 129 | 1,286 | 6,430 | 6,430 | 12,861 | 19,291 | 32,152 | 32,152 | 64,305 | 64,305 |
| 2004 | 130,371 | 130 | 1,304 | 6,519 | 6,519 | 13,037 | 19,556 | 32,593 | 32,593 | 65,186 | 65,186 |
| 2005 | 132,612 | 133 | 1,326 | 6,631 | 6,631 | 13,261 | 19,892 | 33,153 | 33,153 | 66,306 | 66,306 |
| 2006 | 135,719 | 136 | 1,357 | 6,786 | 6,786 | 13,572 | 20,358 | 33,930 | 33,930 | 67,860 | 67,860 |
| 2007 | 141,071 | 141 | 1,411 | 7,054 | 7,054 | 14,107 | 21,161 | 35,268 | 35,268 | 70,535 | 70,535 |
| 2008 | 139,961 | 140 | 1,400 | 6,998 | 6,998 | 13,996 | 20,994 | 34,990 | 34,990 | 69,980 | 69,980 |
| 2009 | 137,982 | 138 | 1,380 | 6,899 | 6,899 | 13,798 | 20,698 | 34,496 | 34,495 | 68,991 | 68,991 |

Source: Internal Revenue Service

Table 3

Adjusted Gross Income of Taxpayers in Various Income Brackets, 1980-2009 (\$ Billions)

| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
|--|---------|----------|---------|---------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| 1980 | \$1,627 | | \$138 | \$342 | \$181 | \$523 | \$400 | \$922 | \$417 | \$1,339 | \$288 |
| 1981 | \$1,791 | | \$149 | \$372 | \$201 | \$573 | \$442 | \$1,015 | \$458 | \$1,473 | \$318 |
| 1982 | \$1,876 | | \$167 | \$398 | \$207 | \$605 | \$460 | \$1,065 | \$478 | \$1,544 | \$332 |
| 1983 | \$1,970 | | \$183 | \$428 | \$217 | \$646 | \$481 | \$1,127 | \$498 | \$1,625 | \$344 |
| 1984 | \$2,173 | | \$210 | \$482 | \$240 | \$723 | \$528 | \$1,251 | \$543 | \$1,794 | \$379 |
| 1985 | \$2,344 | | \$235 | \$531 | \$260 | \$791 | \$567 | \$1,359 | \$580 | \$1,939 | \$405 |
| 1986 | \$2,524 | | \$285 | \$608 | \$278 | \$887 | \$604 | \$1,490 | \$613 | \$2,104 | \$421 |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | \$2,814 | | \$347 | \$722 | \$316 | \$1,038 | \$671 | \$1,709 | \$664 | \$2,374 | \$440 |
| 1988 | \$3,124 | | \$474 | \$891 | \$342 | \$1,233 | \$718 | \$1,951 | \$707 | \$2,658 | \$466 |
| 1989 | \$3,299 | | \$468 | \$918 | \$368 | \$1,287 | \$768 | \$2,054 | \$751 | \$2,805 | \$494 |
| 1990 | \$3,451 | | \$483 | \$953 | \$385 | \$1,338 | \$806 | \$2,144 | \$788 | \$2,933 | \$519 |
| 1991 | \$3,516 | | \$457 | \$943 | \$400 | \$1,343 | \$832 | \$2,175 | \$809 | \$2,984 | \$532 |
| 1992 | \$3,681 | | \$524 | \$1,031 | \$413 | \$1,444 | \$856 | \$2,299 | \$832 | \$3,131 | \$549 |
| 1993 | \$3,776 | | \$521 | \$1,048 | \$426 | \$1,474 | \$883 | \$2,358 | \$854 | \$3,212 | \$563 |
| 1994 | \$3,961 | | \$547 | \$1,103 | \$449 | \$1,552 | \$929 | \$2,481 | \$890 | \$3,371 | \$590 |
| 1995 | \$4,245 | | \$620 | \$1,223 | \$482 | \$1,705 | \$985 | \$2,690 | \$938 | \$3,628 | \$617 |
| 1996 | \$4,591 | | \$737 | \$1,394 | \$515 | \$1,909 | \$1,043 | \$2,953 | \$992 | \$3,944 | \$646 |
| 1997 | \$5,023 | | \$873 | \$1,597 | \$554 | \$2,151 | \$1,116 | \$3,268 | \$1,060 | \$4,328 | \$695 |
| 1998 | \$5,469 | | \$1,010 | \$1,797 | \$597 | \$2,394 | \$1,196 | \$3,590 | \$1,132 | \$4,721 | \$748 |
| 1999 | \$5,909 | | \$1,153 | \$2,012 | \$641 | \$2,653 | \$1,274 | \$3,927 | \$1,199 | \$5,126 | \$783 |
| 2000 | \$6,424 | | \$1,337 | \$2,267 | \$688 | \$2,955 | \$1,358 | \$4,314 | \$1,276 | \$5,590 | \$834 |
| 2001 | \$6,241 | \$506 | \$1,094 | \$1,996 | \$694 | \$2,691 | \$1,380 | \$4,071 | \$1,308 | \$5,379 | \$862 |
| 2002 | \$6,114 | \$432 | \$986 | \$1,868 | \$686 | \$2,553 | \$1,382 | \$3,936 | \$1,309 | \$5,244 | \$870 |
| 2003 | \$6,288 | \$476 | \$1,055 | \$1,961 | \$703 | \$2,663 | \$1,415 | \$4,078 | \$1,330 | \$5,408 | \$880 |
| 2004 | \$6,875 | \$629 | \$1,306 | \$2,300 | \$750 | \$3,049 | \$1,497 | \$4,546 | \$1,406 | \$5,953 | \$922 |
| 2005 | \$7,508 | \$799 | \$1,592 | \$2,684 | \$803 | \$3,487 | \$1,582 | \$5,069 | \$1,475 | \$6,545 | \$963 |
| 2006 | \$8,122 | \$911 | \$1,792 | \$2,978 | \$865 | \$3,843 | \$1,693 | \$5,536 | \$1,570 | \$7,106 | \$1,016 |
| 2007 | \$8,799 | \$1,049 | \$2,008 | \$3,295 | \$933 | \$4,228 | \$1,818 | \$6,045 | \$1,675 | \$7,720 | \$1,078 |
| 2008 | \$8,427 | \$839 | \$1,685 | \$2,927 | \$930 | \$3,856 | \$1,822 | \$5,678 | \$1,674 | \$7,352 | \$1,075 |
| 2009 | \$7,825 | \$610 | \$1,326 | \$2,482 | \$898 | \$3,380 | \$1,770 | \$5,150 | \$1,620 | \$6,770 | \$1,055 |

Source: Internal Revenue Service

Table 4

Total Income Tax after Credits, 1980-2009 (\$ Billions)

| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
|--|---------|----------|--------|--------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| 1980 | \$249 | | \$47 | \$92 | \$31 | \$123 | \$59 | \$182 | \$50 | \$232 | \$18 |
| 1981 | \$282 | | \$50 | \$99 | \$36 | \$135 | \$69 | \$204 | \$57 | \$261 | \$21 |
| 1982 | \$276 | | \$53 | \$100 | \$34 | \$134 | \$66 | \$200 | \$56 | \$256 | \$20 |
| 1983 | \$272 | | \$55 | \$101 | \$34 | \$135 | \$64 | \$199 | \$54 | \$252 | \$19 |
| 1984 | \$297 | | \$63 | \$113 | \$37 | \$150 | \$68 | \$219 | \$57 | \$276 | \$22 |
| 1985 | \$322 | | \$70 | \$125 | \$41 | \$166 | \$73 | \$238 | \$60 | \$299 | \$23 |
| 1986 | \$367 | | \$94 | \$156 | \$44 | \$201 | \$78 | \$279 | \$64 | \$343 | \$24 |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | \$369 | | \$92 | \$160 | \$46 | \$205 | \$79 | \$284 | \$63 | \$347 | \$22 |
| 1988 | \$413 | | \$114 | \$188 | \$48 | \$236 | \$85 | \$321 | \$68 | \$389 | \$24 |
| 1989 | \$433 | | \$109 | \$190 | \$51 | \$241 | \$93 | \$334 | \$73 | \$408 | \$25 |
| 1990 | \$447 | | \$112 | \$195 | \$52 | \$248 | \$97 | \$344 | \$77 | \$421 | \$26 |
| 1991 | \$448 | | \$111 | \$194 | \$56 | \$250 | \$96 | \$347 | \$77 | \$424 | \$25 |
| 1992 | \$476 | | \$131 | \$218 | \$58 | \$276 | \$97 | \$374 | \$78 | \$452 | \$24 |
| 1993 | \$503 | | \$146 | \$238 | \$60 | \$298 | \$101 | \$399 | \$80 | \$479 | \$24 |
| 1994 | \$535 | | \$154 | \$254 | \$64 | \$318 | \$108 | \$425 | \$84 | \$509 | \$25 |
| 1995 | \$588 | | \$178 | \$288 | \$70 | \$357 | \$115 | \$473 | \$88 | \$561 | \$27 |
| 1996 | \$658 | | \$213 | \$335 | \$76 | \$411 | \$124 | \$535 | \$95 | \$630 | \$28 |
| 1997 | \$727 | | \$241 | \$377 | \$82 | \$460 | \$134 | \$594 | \$102 | \$696 | \$31 |
| 1998 | \$788 | | \$274 | \$425 | \$88 | \$513 | \$139 | \$652 | \$103 | \$755 | \$33 |
| 1999 | \$877 | | \$317 | \$486 | \$97 | \$583 | \$150 | \$733 | \$109 | \$842 | \$35 |
| 2000 | \$981 | | \$367 | \$554 | \$106 | \$660 | \$164 | \$824 | \$118 | \$942 | \$38 |
| 2001 | \$888 | \$143 | \$301 | \$473 | \$103 | \$576 | \$160 | \$736 | \$117 | \$853 | \$35 |
| 2002 | \$797 | \$123 | \$269 | \$429 | \$95 | \$524 | \$145 | \$669 | \$100 | \$769 | \$28 |
| 2003 | \$748 | \$117 | \$256 | \$407 | \$86 | \$492 | \$135 | \$627 | \$95 | \$722 | \$26 |
| 2004 | \$832 | \$145 | \$307 | \$475 | \$92 | \$567 | \$139 | \$706 | \$99 | \$804 | \$27 |
| 2005 | \$935 | \$180 | \$368 | \$558 | \$99 | \$657 | \$147 | \$804 | \$102 | \$906 | \$29 |
| 2006 | \$1,024 | \$200 | \$408 | \$616 | \$109 | \$725 | \$158 | \$883 | \$110 | \$993 | \$31 |
| 2007 | \$1,116 | \$225 | \$451 | \$676 | \$118 | \$794 | \$171 | \$966 | \$117 | \$1,083 | \$32 |
| 2008 | \$1,032 | \$190 | \$392 | \$606 | \$116 | \$721 | \$169 | \$891 | \$113 | \$1,004 | \$28 |
| 2009 | \$866 | \$148 | \$318 | \$508 | \$102 | \$610 | \$146 | \$756 | \$90 | \$846 | \$20 |

Source: Internal Revenue Service

Table 5

Adjusted Gross Income Shares, 1980-2009 (Percent of total AGI earned by each group)

| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
|--|-------|----------|--------|--------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| 1980 | 100% | | 8.46% | 21.01% | 11.12% | 32.13% | 24.57% | 56.70% | 25.62% | 82.32% | 17.68% |
| 1981 | 100% | | 8.30% | 20.78% | 11.20% | 31.98% | 24.69% | 56.67% | 25.59% | 82.25% | 17.75% |
| 1982 | 100% | | 8.91% | 21.23% | 11.03% | 32.26% | 24.53% | 56.79% | 25.50% | 82.29% | 17.71% |
| 1983 | 100% | | 9.29% | 21.74% | 11.04% | 32.78% | 24.44% | 57.22% | 25.30% | 82.52% | 17.48% |
| 1984 | 100% | | 9.66% | 22.19% | 11.06% | 33.25% | 24.31% | 57.56% | 25.00% | 82.56% | 17.44% |
| 1985 | 100% | | 10.03% | 22.67% | 11.10% | 33.77% | 24.21% | 57.97% | 24.77% | 82.74% | 17.26% |
| 1986 | 100% | | 11.30% | 24.11% | 11.02% | 35.12% | 23.92% | 59.04% | 24.30% | 83.34% | 16.66% |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | 100% | | 12.32% | 25.67% | 11.23% | 36.90% | 23.85% | 60.75% | 23.62% | 84.37% | 15.63% |
| 1988 | 100% | | 15.16% | 28.51% | 10.94% | 39.45% | 22.99% | 62.44% | 22.63% | 85.07% | 14.93% |
| 1989 | 100% | | 14.19% | 27.84% | 11.16% | 39.00% | 23.28% | 62.28% | 22.76% | 85.04% | 14.96% |
| 1990 | 100% | | 14.00% | 27.62% | 11.15% | 38.77% | 23.36% | 62.13% | 22.84% | 84.97% | 15.03% |
| 1991 | 100% | | 12.99% | 26.83% | 11.37% | 38.20% | 23.65% | 61.85% | 23.01% | 84.87% | 15.13% |
| 1992 | 100% | | 14.23% | 28.01% | 11.21% | 39.23% | 23.25% | 62.47% | 22.61% | 85.08% | 14.92% |
| 1993 | 100% | | 13.79% | 27.76% | 11.29% | 39.05% | 23.40% | 62.45% | 22.63% | 85.08% | 14.92% |
| 1994 | 100% | | 13.80% | 27.85% | 11.34% | 39.19% | 23.45% | 62.64% | 22.48% | 85.11% | 14.89% |
| 1995 | 100% | | 14.60% | 28.81% | 11.35% | 40.16% | 23.21% | 63.37% | 22.09% | 85.46% | 14.54% |
| 1996 | 100% | | 16.04% | 30.36% | 11.23% | 41.59% | 22.73% | 64.32% | 21.60% | 85.92% | 14.08% |
| 1997 | 100% | | 17.38% | 31.79% | 11.03% | 42.83% | 22.22% | 65.05% | 21.11% | 86.16% | 13.84% |
| 1998 | 100% | | 18.47% | 32.85% | 10.92% | 43.77% | 21.87% | 65.63% | 20.69% | 86.33% | 13.67% |
| 1999 | 100% | | 19.51% | 34.04% | 10.85% | 44.89% | 21.57% | 66.46% | 20.29% | 86.75% | 13.25% |
| 2000 | 100% | | 20.81% | 35.30% | 10.71% | 46.01% | 21.15% | 67.15% | 19.86% | 87.01% | 12.99% |
| 2001 | 100% | 8.10% | 17.53% | 31.99% | 11.12% | 43.11% | 22.12% | 65.23% | 20.96% | 86.19% | 13.81% |
| 2002 | 100% | 7.06% | 16.12% | 30.55% | 11.22% | 41.77% | 22.61% | 64.37% | 21.40% | 85.77% | 14.23% |
| 2003 | 100% | 7.57% | 16.77% | 31.18% | 11.18% | 42.36% | 22.50% | 64.86% | 21.15% | 86.01% | 13.99% |
| 2004 | 100% | 9.14% | 19.00% | 33.45% | 10.90% | 44.35% | 21.78% | 66.13% | 20.46% | 86.58% | 13.42% |
| 2005 | 100% | 10.65% | 21.20% | 35.75% | 10.70% | 46.44% | 21.08% | 67.52% | 19.65% | 87.17% | 12.83% |
| 2006 | 100% | 11.22% | 22.06% | 36.66% | 10.66% | 47.32% | 20.84% | 68.16% | 19.33% | 87.49% | 12.51% |
| 2007 | 100% | 11.93% | 22.83% | 37.44% | 10.61% | 48.05% | 20.66% | 68.71% | 19.04% | 87.74% | 12.26% |
| 2008 | 100% | 9.96% | 20.00% | 34.73% | 11.03% | 45.77% | 21.62% | 67.38% | 19.86% | 87.25% | 12.75% |
| 2009 | 100% | 7.80% | 16.93% | 31.72% | 11.47% | 43.19% | 22.62% | 65.81% | 20.71% | 86.52% | 13.4800% |

Source: Internal Revenue Service

Table 6

Total Income Tax Shares, 1980-2009 (Percent of federal income tax paid by each group)

| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
|--|-------|----------|--------|--------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| 1980 | 100% | | 19.05% | 36.84% | 12.44% | 49.28% | 23.74% | 73.02% | 19.93% | 92.95% | 7.05% |
| 1981 | 100% | | 17.58% | 35.06% | 12.90% | 47.96% | 24.33% | 72.29% | 20.26% | 92.55% | 7.45% |
| 1982 | 100% | | 19.03% | 36.13% | 12.45% | 48.59% | 23.91% | 72.50% | 20.15% | 92.65% | 7.35% |
| 1983 | 100% | | 20.32% | 37.26% | 12.44% | 49.71% | 23.39% | 73.10% | 19.73% | 92.83% | 7.17% |
| 1984 | 100% | | 21.12% | 37.98% | 12.58% | 50.56% | 22.92% | 73.49% | 19.16% | 92.65% | 7.35% |
| 1985 | 100% | | 21.81% | 38.78% | 12.67% | 51.46% | 22.60% | 74.06% | 18.77% | 92.83% | 7.17% |
| 1986 | 100% | | 25.75% | 42.57% | 12.12% | 54.69% | 21.33% | 76.02% | 17.52% | 93.54% | 6.46% |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | 100% | | 24.81% | 43.26% | 12.35% | 55.61% | 21.31% | 76.92% | 17.02% | 93.93% | 6.07% |
| 1988 | 100% | | 27.58% | 45.62% | 11.66% | 57.28% | 20.57% | 77.84% | 16.44% | 94.28% | 5.72% |
| 1989 | 100% | | 25.24% | 43.94% | 11.85% | 55.78% | 21.44% | 77.22% | 16.94% | 94.17% | 5.83% |
| 1990 | 100% | | 25.13% | 43.64% | 11.73% | 55.36% | 21.66% | 77.02% | 17.16% | 94.19% | 5.81% |
| 1991 | 100% | | 24.82% | 43.38% | 12.45% | 55.82% | 21.46% | 77.29% | 17.23% | 94.52% | 5.48% |
| 1992 | 100% | | 27.54% | 45.88% | 12.12% | 58.01% | 20.47% | 78.48% | 16.46% | 94.94% | 5.06% |
| 1993 | 100% | | 29.01% | 47.36% | 11.88% | 59.24% | 20.03% | 79.27% | 15.92% | 95.19% | 4.81% |
| 1994 | 100% | | 28.86% | 47.52% | 11.93% | 59.45% | 20.10% | 79.55% | 15.68% | 95.23% | 4.77% |
| 1995 | 100% | | 30.26% | 48.91% | 11.84% | 60.75% | 19.62% | 80.36% | 15.03% | 95.39% | 4.61% |
| 1996 | 100% | | 32.31% | 50.97% | 11.54% | 62.51% | 18.80% | 81.32% | 14.36% | 95.68% | 4.32% |
| 1997 | 100% | | 33.17% | 51.87% | 11.33% | 63.20% | 18.47% | 81.67% | 14.05% | 95.72% | 4.28% |
| 1998 | 100% | | 34.75% | 53.84% | 11.20% | 65.04% | 17.65% | 82.69% | 13.10% | 95.79% | 4.21% |
| 1999 | 100% | | 36.18% | 55.45% | 11.00% | 66.45% | 17.09% | 83.54% | 12.46% | 96.00% | 4.00% |
| 2000 | 100% | | 37.42% | 56.47% | 10.86% | 67.33% | 16.68% | 84.01% | 12.08% | 96.09% | 3.91% |
| 2001 | 100% | 16.06% | 33.89% | 53.25% | 11.64% | 64.89% | 18.01% | 82.90% | 13.13% | 96.03% | 3.97% |
| 2002 | 100% | 15.43% | 33.71% | 53.80% | 11.94% | 65.73% | 18.16% | 83.90% | 12.60% | 96.50% | 3.50% |
| 2003 | 100% | 15.68% | 34.27% | 54.36% | 11.48% | 65.84% | 18.04% | 83.88% | 12.65% | 96.54% | 3.46% |
| 2004 | 100% | 17.44% | 36.89% | 57.13% | 11.07% | 68.19% | 16.67% | 84.86% | 11.85% | 96.70% | 3.30% |
| 2005 | 100% | 19.26% | 39.38% | 59.67% | 10.63% | 70.30% | 15.69% | 85.99% | 10.94% | 96.93% | 3.07% |
| 2006 | 100% | 19.56% | 39.89% | 60.14% | 10.65% | 70.79% | 15.47% | 86.27% | 10.75% | 97.01% | 2.99% |
| 2007 | 100% | 20.19% | 40.41% | 60.61% | 10.59% | 71.20% | 15.37% | 86.57% | 10.54% | 97.11% | 2.89% |
| 2008 | 100% | 18.47% | 38.02% | 58.72% | 11.22% | 69.94% | 16.40% | 86.34% | 10.96% | 97.30% | 2.70% |
| 2009 | 100% | 17.11% | 36.73% | 58.66% | 11.81% | 70.47% | 16.83% | 87.30% | 10.45% | 97.75% | 2.25% |

Source: Internal Revenue Service

Table 7

| Dollar Cut-Off, 1980-2009 (Minimum AGI for tax return to fall into various percentiles; Thresholds not adjusted for inflation) | | | | | | | |
|---|--------------|-----------------|---------------|---------------|----------------|----------------|----------------|
| Year | Total | Top 0.1% | Top 1% | Top 5% | Top 10% | Top 25% | Top 50% |
| 1980 | 0 | | \$80,580 | \$43,792 | \$35,070 | \$23,606 | \$12,936 |
| 1981 | 0 | | \$85,428 | \$47,845 | \$38,283 | \$25,655 | \$14,000 |
| 1982 | 0 | | \$89,388 | \$49,284 | \$39,676 | \$27,027 | \$14,539 |
| 1983 | 0 | | \$93,512 | \$51,553 | \$41,222 | \$27,827 | \$15,044 |
| 1984 | 0 | | \$100,889 | \$55,423 | \$43,956 | \$29,360 | \$15,998 |
| 1985 | 0 | | \$108,134 | \$58,883 | \$46,322 | \$30,928 | \$16,688 |
| 1986 | 0 | | \$118,818 | \$62,377 | \$48,656 | \$32,242 | \$17,302 |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | |
| 1987 | 0 | | \$139,289 | \$68,414 | \$52,921 | \$33,983 | \$17,768 |
| 1988 | 0 | | \$157,136 | \$72,735 | \$55,437 | \$35,398 | \$18,367 |
| 1989 | 0 | | \$163,869 | \$76,933 | \$58,263 | \$36,839 | \$18,993 |
| 1990 | 0 | | \$167,421 | \$79,064 | \$60,287 | \$38,080 | \$19,767 |
| 1991 | 0 | | \$170,139 | \$81,720 | \$61,944 | \$38,929 | \$20,097 |
| 1992 | 0 | | \$181,904 | \$85,103 | \$64,457 | \$40,378 | \$20,803 |
| 1993 | 0 | | \$185,715 | \$87,386 | \$66,077 | \$41,210 | \$21,179 |
| 1994 | 0 | | \$195,726 | \$91,226 | \$68,753 | \$42,742 | \$21,802 |
| 1995 | 0 | | \$209,406 | \$96,221 | \$72,094 | \$44,207 | \$22,344 |
| 1996 | 0 | | \$227,546 | \$101,141 | \$74,986 | \$45,757 | \$23,174 |
| 1997 | 0 | | \$250,736 | \$108,048 | \$79,212 | \$48,173 | \$24,393 |
| 1998 | 0 | | \$269,496 | \$114,729 | \$83,220 | \$50,607 | \$25,491 |
| 1999 | 0 | | \$293,415 | \$120,846 | \$87,682 | \$52,965 | \$26,415 |
| 2000 | 0 | | \$313,469 | \$128,336 | \$92,144 | \$55,225 | \$27,682 |
| 2001 | 0 | \$1,324,487 | \$292,913 | \$127,904 | \$92,754 | \$56,085 | \$28,528 |
| 2002 | 0 | \$1,191,673 | \$285,424 | \$126,525 | \$92,663 | \$56,401 | \$28,654 |
| 2003 | 0 | \$1,262,760 | \$295,495 | \$130,080 | \$94,891 | \$57,343 | \$29,019 |
| 2004 | 0 | \$1,548,941 | \$328,049 | \$137,056 | \$99,112 | \$60,041 | \$30,122 |
| 2005 | 0 | \$1,848,791 | \$364,657 | \$145,283 | \$103,912 | \$62,068 | \$30,881 |
| 2006 | 0 | \$2,044,689 | \$388,806 | \$153,542 | \$108,904 | \$64,702 | \$31,987 |
| 2007 | 0 | \$2,155,365 | \$410,096 | \$160,041 | \$113,018 | \$66,532 | \$32,879 |
| 2008 | 0 | \$1,803,585 | \$380,354 | \$159,619 | \$113,799 | \$67,280 | \$33,048 |
| 2009 | 0 | \$1,432,890 | \$343,927 | \$154,643 | \$112,124 | \$66,193 | \$32,396 |

Source: Internal Revenue Service

Table 8

Average Tax Rate, 1980-2009 (Percent of AGI paid in income taxes)

| Year | Total | Top 0.1% | Top 1% | Top 5% | Between 5% & 10% | Top 10% | Between 10% & 25% | Top 25% | Between 25% & 50% | Top 50% | Bottom 50% |
|--|--------|----------|--------|--------|------------------|---------|-------------------|---------|-------------------|---------|------------|
| 1980 | 15.31% | | 34.47% | 26.85% | 17.13% | 23.49% | 14.80% | 19.72% | 11.91% | 17.29% | 6.10% |
| 1981 | 15.76% | | 33.37% | 26.59% | 18.16% | 23.64% | 15.53% | 20.11% | 12.48% | 17.73% | 6.62% |
| 1982 | 14.72% | | 31.43% | 25.05% | 16.61% | 22.17% | 14.35% | 18.79% | 11.63% | 16.57% | 6.10% |
| 1983 | 13.79% | | 30.18% | 23.64% | 15.54% | 20.91% | 13.20% | 17.62% | 10.76% | 15.52% | 5.66% |
| 1984 | 13.68% | | 29.92% | 23.42% | 15.57% | 20.81% | 12.90% | 17.47% | 10.48% | 15.35% | 5.77% |
| 1985 | 13.73% | | 29.86% | 23.50% | 15.69% | 20.93% | 12.83% | 17.55% | 10.41% | 15.41% | 5.70% |
| 1986 | 14.54% | | 33.13% | 25.68% | 15.99% | 22.64% | 12.97% | 18.72% | 10.48% | 16.32% | 5.63% |
| Tax Reform Act of 1986 changed the definition of AGI, so data above and below this line not strictly comparable | | | | | | | | | | | |
| 1987 | 13.12% | | 26.41% | 22.10% | 14.43% | 19.77% | 11.71% | 16.61% | 9.45% | 14.60% | 5.09% |
| 1988 | 13.21% | | 24.04% | 21.14% | 14.07% | 19.18% | 11.82% | 16.47% | 9.60% | 14.64% | 5.06% |
| 1989 | 13.12% | | 23.34% | 20.71% | 13.93% | 18.77% | 12.08% | 16.27% | 9.77% | 14.53% | 5.11% |
| 1990 | 12.95% | | 23.25% | 20.46% | 13.63% | 18.50% | 12.01% | 16.06% | 9.73% | 14.36% | 5.01% |
| 1991 | 12.75% | | 24.37% | 20.62% | 13.96% | 18.63% | 11.57% | 15.93% | 9.55% | 14.20% | 4.62% |
| 1992 | 12.94% | | 25.05% | 21.19% | 13.99% | 19.13% | 11.39% | 16.25% | 9.42% | 14.44% | 4.39% |
| 1993 | 13.32% | | 28.01% | 22.71% | 14.01% | 20.20% | 11.40% | 16.90% | 9.37% | 14.90% | 4.29% |
| 1994 | 13.50% | | 28.23% | 23.04% | 14.20% | 20.48% | 11.57% | 17.15% | 9.42% | 15.11% | 4.32% |
| 1995 | 13.86% | | 28.73% | 23.53% | 14.46% | 20.97% | 11.71% | 17.58% | 9.43% | 15.47% | 4.39% |
| 1996 | 14.34% | | 28.87% | 24.07% | 14.74% | 21.55% | 11.86% | 18.12% | 9.53% | 15.96% | 4.40% |
| 1997 | 14.48% | | 27.64% | 23.62% | 14.87% | 21.36% | 12.04% | 18.18% | 9.63% | 16.09% | 4.48% |
| 1998 | 14.42% | | 27.12% | 23.63% | 14.79% | 21.42% | 11.63% | 18.16% | 9.12% | 16.00% | 4.44% |
| 1999 | 14.85% | | 27.53% | 24.18% | 15.06% | 21.98% | 11.76% | 18.66% | 9.12% | 16.43% | 4.48% |
| 2000 | 15.26% | | 27.45% | 24.42% | 15.48% | 22.34% | 12.04% | 19.09% | 9.28% | 16.86% | 4.60% |
| 2001 | 14.23% | 28.20% | 27.50% | 23.68% | 14.89% | 21.41% | 11.58% | 18.08% | 8.91% | 15.85% | 4.09% |
| 2002 | 13.03% | 28.49% | 27.25% | 22.95% | 13.87% | 20.51% | 10.47% | 16.99% | 7.67% | 14.66% | 3.21% |
| 2003 | 11.90% | 24.64% | 24.31% | 20.74% | 12.22% | 18.49% | 9.54% | 15.38% | 7.12% | 13.35% | 2.95% |
| 2004 | 12.10% | 23.09% | 23.49% | 20.67% | 12.28% | 18.60% | 9.26% | 15.53% | 7.01% | 13.51% | 2.97% |
| 2005 | 12.45% | 22.52% | 23.13% | 20.78% | 12.37% | 18.84% | 9.27% | 15.86% | 6.93% | 13.84% | 2.98% |
| 2006 | 12.60% | 21.98% | 22.79% | 20.68% | 12.60% | 18.86% | 9.36% | 15.95% | 7.01% | 13.98% | 3.01% |
| 2007 | 12.68% | 21.46% | 22.45% | 20.53% | 12.66% | 18.79% | 9.43% | 15.98% | 7.01% | 14.03% | 2.99% |
| 2008 | 12.24% | 22.70% | 23.27% | 20.70% | 12.44% | 18.71% | 9.29% | 15.68% | 6.75% | 13.65% | 2.59% |
| 2009 | 11.06% | 24.28% | 24.01% | 20.46% | 11.36% | 18.05% | 8.25% | 14.68% | 5.56% | 12.50% | 1.85% |

Source: Internal Revenue Service

Some important facts to keep in mind about the information provided on this page.

- (1) All tax returns that have a positive AGI are included, even those that do not have a positive income tax liability.
- (2) Income tax after credits (the tax measure above) does not account for the refundable portion of EITC. If it were included (as is often the case with other organizations), the tax share of the top income groups would be higher. The refundable portion is legally classified as a spending program by the Office of Management and Budget and therefore is not included by the IRS in these figures.
- (3) The only tax analyzed here is the federal individual income tax, which is responsible for about 25 percent of the nation's taxes paid (at all levels of government). Federal income taxes are much more progressive than payroll taxes, which are responsible for about 20 percent of all taxes paid (at all levels of government), and are more progressive than most state and local taxes (depending upon the economic assumption made about property taxes and corporate income taxes).
- (4) AGI is a fairly narrow income concept, and does not include income items like government transfers (except for the portion of Social Security benefits that is taxed), the value of employer-provided health insurance, underreported or unreported income (most notably that of sole proprietors), income derived from municipal bond interest, net imputed rental income, worker's compensation benefits and others.
- (5) Tax return is the unit of analysis, which is broader than households, especially for those at the bottom end, many of which are dependent returns. Some dependent returns are included in the figures here, and under other units of analysis (like the Treasury Department's Family Economic Unit) would likely be paired with their parents' returns.
- (6) The data source is the IRS Statistics of Income Division, which uses a national sample of tax returns to provide the figures used here. The figures above were taken from data that were labeled an "early release" by SOI in October 2011. The 2008 figures and those for previous years on this page were taken from the final percentile data released by the IRS. Figures for 2009 may be subsequently revised.
- (7) These figures represent the legal incidence of the income tax, although most distributional tables (such as those from CBO, Tax Policy Center, Citizens for Tax Justice, Treasury, and JCT) assume that the entire economic incidence of personal income taxes falls on the income earner.

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