

Fiscal Fact

Summary of Latest Federal Income Tax Data

By

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The Internal Revenue Service has released new data on individual income taxes, reporting on calendar year 2010.¹ As we do every year, we present a summary of that data along with the historical data back to 1980. This year the IRS changed its methodology to exclude dependent filers and include returns with negative AGI. For comparison's sake, we present this new data as far back as the IRS provides, to 2001, along with the previously reported data for prior years. Here follows the IRS statement regarding this year's change:

This release including the Tax Year 2010 percentile data were [*sic*] produced using an improved methodology to that of previous SOI releases of percentile data in order to refine the accuracy of the percentile estimates. The data in these tables are based on a modified universe of tax returns. In particular, all individual income tax returns except returns of dependents are now used in the computation whereas previous releases were based on only returns with positive AGI. This change was the result of feedback and recommendations made by users of these statistics who encouraged SOI to assess the utility of the information. The data in the improved tables shown here, while more accurate for the dollar amounts shown are still very similar in terms of percentages when compared to the data produced under the previous methodology.²

The new methodology results in about 7 to 9 million fewer tax returns in most years but about 5 million fewer returns in 2009 due to the high number of negative AGI returns that year. It also results in a slight overstatement of both the income shares and the average tax rates of the top 1 percent and a slight understatement of the tax shares of the top 1 percent, as compared with the previous methodology.³

¹ Internal Revenue Service, *SOI Stats – Individual Statistical Tables by Tax Rate and Income Percentile*, <http://www.irs.gov/uac/SOI-Tax-Stats-Individual-Statistical-Tables-by-Tax-Rate-and-Income-Percentile>.

² *Id.*

³ David Logan, *Summary of Latest Federal Income Tax Data*, TAX FOUNDATION FISCAL FACT NO. 285 (Oct. 24, 2011), <http://taxfoundation.org/article/summary-latest-federal-individual-income-tax-data-0>. For a more directly comparable time series of data across decades going back to 1979, see the CBO's report, discussed in William McBride, *CBO Report Shows Increasing Redistribution in the Tax Code Despite No Long-Term Trend in Income Inequality*, TAX FOUNDATION FISCAL FACT NO. 322 (July 24, 2012), <http://taxfoundation.org/article/cbo-report-shows-increasing-redistribution-tax-code-despite-no-long-term-trend-income-inequality>.

With that in mind, a few points about the data can be made. First, as a result of the tepid economic recovery, incomes and taxes paid for all income groups increased in 2010 but not to the levels achieved during the boom years of 2006 and 2007.

Second, average tax rates increased in 2010 for all except the top 1 percent, who saw a slight decrease in their average tax rate from 24.05 percent of income in 2009 to 23.39 percent in 2010. This is still about 10 times the tax rate of the bottom 50 percent of filers, who paid 2.37 percent of their income in 2010. Tax rates have dropped for all filers since 2001 but have done so most precipitously for low-income filers. The bottom 50 percent of filers paid 4.92 percent of their income in 2001, more than twice the rate they paid in 2010. In contrast, the top 1 percent of filers paid 27.6 percent of their income in 2001, which is about 4 points higher than their 2010 rate.

Finally, as many have noted, incomes have stagnated for low-income households in recent years, but this is true for high-income households as well.⁴ In real inflation-adjusted terms, the income thresholds for all percentiles, including the top 50 percent, the top 1 percent, and the top 0.1 percent are lower than they were in 2001 (not shown). That means the nominal income increases since 2001, shown in Table 7, are entirely due to inflation. In terms of income shares, there has been more growth of income at the top, at least since 2001. The income share of the top 1 percent rebounded slightly to 18.87 percent of income in 2010 after bottoming out in 2009. However, the top share remains lower than it was at any time during the economic expansion of 2004 to 2008.

⁴ Bruce Bartlett, *Tax Cuts, Tax Rates and Tax Shares*, NEW YORK TIMES ECONOMIX BLOG, Nov. 27, 2012, <http://economix.blogs.nytimes.com/2012/11/27/tax-cuts-tax-rates-and-tax-shares/>.

Table 1. Summary of Federal Income Tax Data, 2010

	Number of Returns*	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	135,033,492	\$8,039,779	\$949,144	100.0%	100.0%	-	11.81%
Top 1%	1,350,335	\$1,517,146	\$354,810	18.9%	37.4%	\$369,691	23.39%
1-5%	5,401,340	\$1,199,053	\$205,839	14.9%	21.7%		17.17%
Top 5%	6,751,675	\$2,716,199	\$560,649	33.8%	59.1%	\$161,579	20.64%
5-10%	6,751,674	\$915,165	\$109,670	11.4%	11.6%		11.98%
Top 10%	13,503,349	\$3,631,364	\$670,319	45.2%	70.6%	\$116,623	18.46%
10-25%	20,255,024	\$1,799,588	\$156,477	22.4%	16.5%		8.70%
Top 25%	33,758,373	\$5,430,952	\$826,796	67.6%	87.1%	\$69,126	15.22%
25-50%	33,758,373	\$1,664,728	\$99,986	20.7%	10.5%		6.01%
Top 50%	67,516,746	\$7,095,680	\$926,782	88.3%	97.6%	\$34,338	13.06%
Bottom 50%	67,516,746	\$944,099	\$22,363	11.7%	2.4%	<\$34,338	2.37%

Table 2. Number of Federal Individual Income Tax Returns Filed 1980-2010 (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
IRS changed methodology, so data above and below this line not strictly comparable											
2001	119,371	119	1,194	5,969	5,969	11,937	17,906	29,843	29,843	59,685	59,685
2002	119,851	120	1,199	5,993	5,993	11,985	17,978	29,963	29,963	59,925	59,925
2003	120,759	121	1,208	6,038	6,038	12,076	18,114	30,190	30,190	60,379	60,379
2004	122,510	123	1,225	6,125	6,125	12,251	18,376	30,627	30,627	61,255	61,255
2005	124,673	125	1,247	6,234	6,234	12,467	18,701	31,168	31,168	62,337	62,337
2006	128,441	128	1,284	6,422	6,422	12,844	19,266	32,110	32,110	64,221	64,221
2007	132,655	133	1,327	6,633	6,633	13,265	19,898	33,164	33,164	66,327	66,327
2008	132,892	133	1,329	6,645	6,645	13,289	19,934	33,223	33,223	66,446	66,446
2009	132,620	133	1,326	6,631	6,631	13,262	19,893	33,155	33,155	66,310	66,310
2010	135,033	135	1,350	6,752	6,752	13,503	20,255	33,758	33,758	67,517	67,517

Source: Internal Revenue Service

Table 3. Adjusted Gross Income of Taxpayers in Various Income Brackets, 1980-2010 (\$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
IRS changed methodology, so data above and below this line not strictly comparable											
2001	\$6,116	\$492	\$1,065	\$1,934	\$666	\$2,600	\$1,334	\$3,933	\$1,302	\$5,235	\$881
2002	\$5,982	\$421	\$960	\$1,812	\$660	\$2,472	\$1,339	\$3,812	\$1,303	\$5,115	\$867
2003	\$6,157	\$466	\$1,030	\$1,908	\$679	\$2,587	\$1,375	\$3,962	\$1,325	\$5,287	\$870
2004	\$6,735	\$615	\$1,279	\$2,243	\$725	\$2,968	\$1,455	\$4,423	\$1,403	\$5,826	\$908
2005	\$7,366	\$784	\$1,561	\$2,623	\$778	\$3,401	\$1,540	\$4,940	\$1,473	\$6,413	\$953
2006	\$7,970	\$895	\$1,761	\$2,918	\$841	\$3,760	\$1,652	\$5,412	\$1,568	\$6,980	\$990
2007	\$8,622	\$1,030	\$1,971	\$3,223	\$905	\$4,128	\$1,770	\$5,898	\$1,673	\$7,571	\$1,051
2008	\$8,206	\$826	\$1,657	\$2,868	\$905	\$3,773	\$1,782	\$5,555	\$1,673	\$7,228	\$978
2009	\$7,579	\$602	\$1,305	\$2,439	\$878	\$3,317	\$1,740	\$5,058	\$1,620	\$6,678	\$900
2010	\$8,040	\$743	\$1,517	\$2,716	\$915	\$3,631	\$1,800	\$5,431	\$1,665	\$7,096	\$944

Source: IRS

Table 4. Total Income Tax after Credits, 1980-2010 (\$ 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
IRS changed methodology, so data above and below this line not strictly comparable											
2001	\$885	\$139	\$294	\$462	\$101	\$564	\$158	\$722	\$120	\$842	\$43
2002	\$794	\$120	\$263	\$420	\$93	\$513	\$143	\$657	\$104	\$761	\$33
2003	\$746	\$115	\$251	\$399	\$85	\$484	\$133	\$617	\$98	\$715	\$30
2004	\$829	\$142	\$301	\$467	\$91	\$558	\$137	\$695	\$102	\$797	\$32
2005	\$932	\$176	\$361	\$549	\$98	\$647	\$145	\$793	\$106	\$898	\$33
2006	\$1,020	\$196	\$402	\$607	\$108	\$715	\$157	\$872	\$113	\$986	\$35
2007	\$1,112	\$221	\$443	\$666	\$117	\$783	\$170	\$953	\$122	\$1,075	\$37
2008	\$1,029	\$187	\$386	\$597	\$115	\$712	\$168	\$880	\$117	\$997	\$32
2009	\$863	\$146	\$314	\$502	\$101	\$604	\$146	\$749	\$93	\$842	\$21
2010	\$949	\$170	\$355	\$561	\$110	\$670	\$156	\$827	\$100	\$927	\$22

Source: IRS

Table 5. Adjusted Gross Income Shares, 1980-2010 (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%
IRS changed methodology, so data above and below this line not strictly comparable											
2001	100%	8.05%	17.41%	31.61%	10.89%	42.50%	21.80%	64.31%	21.29%	85.60%	14.40%
2002	100%	7.04%	16.05%	30.29%	11.04%	41.33%	22.39%	63.71%	21.79%	85.50%	14.50%
2003	100%	7.56%	16.73%	30.99%	11.03%	42.01%	22.33%	64.34%	21.52%	85.87%	14.13%
2004	100%	9.14%	18.99%	33.31%	10.77%	44.07%	21.60%	65.68%	20.83%	86.51%	13.49%
2005	100%	10.64%	21.19%	35.61%	10.56%	46.17%	20.90%	67.07%	19.99%	87.06%	12.94%
2006	100%	11.23%	22.10%	36.62%	10.56%	47.17%	20.73%	67.91%	19.68%	87.58%	12.42%
2007	100%	11.95%	22.86%	37.39%	10.49%	47.88%	20.53%	68.41%	19.40%	87.81%	12.19%
2008	100%	10.06%	20.19%	34.95%	11.03%	45.98%	21.71%	67.69%	20.39%	88.08%	11.92%
2009	100%	7.94%	17.21%	32.18%	11.59%	43.77%	22.96%	66.74%	21.38%	88.12%	11.88%
2010	100%	9.24%	18.87%	33.78%	11.38%	45.17%	22.38%	67.55%	20.71%	88.26%	11.74%

Source: IRS

Table 6. Total Income Tax Shares, 1980-2010 (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%
IRS changed methodology, so data above and below this line not strictly comparable											
2001	100%	15.68%	33.22%	52.24%	11.44%	63.68%	17.88%	81.56%	13.54%	95.10%	4.90%
2002	100%	15.09%	33.09%	52.86%	11.77%	64.63%	18.04%	82.67%	13.12%	95.79%	4.21%
2003	100%	15.37%	33.69%	53.54%	11.35%	64.89%	17.87%	82.76%	13.17%	95.93%	4.07%
2004	100%	17.12%	36.28%	56.35%	10.96%	67.30%	16.52%	83.82%	12.31%	96.13%	3.87%
2005	100%	18.91%	38.78%	58.93%	10.52%	69.46%	15.61%	85.07%	11.35%	96.41%	3.59%
2006	100%	19.24%	39.36%	59.49%	10.59%	70.08%	15.41%	85.49%	11.10%	96.59%	3.41%
2007	100%	19.84%	39.81%	59.90%	10.51%	70.41%	15.30%	85.71%	10.93%	96.64%	3.36%
2008	100%	18.20%	37.51%	58.06%	11.14%	69.20%	16.37%	85.57%	11.33%	96.90%	3.10%
2009	100%	16.91%	36.34%	58.17%	11.72%	69.89%	16.85%	86.74%	10.80%	97.54%	2.46%
2010	100%	17.88%	37.38%	59.07%	11.55%	70.62%	16.49%	87.11%	10.53%	97.64%	2.36%

Source: IRS

Table 7. Dollar Cut-Off, 1980-2010**(Minimum AGI for tax return to fall into various percentiles; thresholds not adjusted for inflation)**

Year	Top 0.1%	Top 1%	Top 5%	Top 10%	Top 25%	Top 50%
1980		\$80,580	\$43,792	\$35,070	\$23,606	\$12,936
1981		\$85,428	\$47,845	\$38,283	\$25,655	\$14,000
1982		\$89,388	\$49,284	\$39,676	\$27,027	\$14,539
1983		\$93,512	\$51,553	\$41,222	\$27,827	\$15,044
1984		\$100,889	\$55,423	\$43,956	\$29,360	\$15,998
1985		\$108,134	\$58,883	\$46,322	\$30,928	\$16,688
1986		\$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		\$139,289	\$68,414	\$52,921	\$33,983	\$17,768
1988		\$157,136	\$72,735	\$55,437	\$35,398	\$18,367
1989		\$163,869	\$76,933	\$58,263	\$36,839	\$18,993
1990		\$167,421	\$79,064	\$60,287	\$38,080	\$19,767
1991		\$170,139	\$81,720	\$61,944	\$38,929	\$20,097
1992		\$181,904	\$85,103	\$64,457	\$40,378	\$20,803
1993		\$185,715	\$87,386	\$66,077	\$41,210	\$21,179
1994		\$195,726	\$91,226	\$68,753	\$42,742	\$21,802
1995		\$209,406	\$96,221	\$72,094	\$44,207	\$22,344
1996		\$227,546	\$101,141	\$74,986	\$45,757	\$23,174
1997		\$250,736	\$108,048	\$79,212	\$48,173	\$24,393
1998		\$269,496	\$114,729	\$83,220	\$50,607	\$25,491
1999		\$293,415	\$120,846	\$87,682	\$52,965	\$26,415
2000		\$313,469	\$128,336	\$92,144	\$55,225	\$27,682
IRS changed methodology, so data above and below this line not strictly comparable						
2001	\$1,393,718	\$306,635	\$132,082	\$96,151	\$59,026	\$31,418
2002	\$1,245,352	\$296,194	\$130,750	\$95,699	\$59,066	\$31,299
2003	\$1,317,088	\$305,939	\$133,741	\$97,470	\$59,896	\$31,447
2004	\$1,617,918	\$339,993	\$140,758	\$101,838	\$62,794	\$32,622
2005	\$1,938,175	\$379,261	\$149,216	\$106,864	\$64,821	\$33,484
2006	\$2,124,625	\$402,603	\$157,390	\$112,016	\$67,291	\$34,417
2007	\$2,251,017	\$426,439	\$164,883	\$116,396	\$69,559	\$35,541
2008	\$1,867,652	\$392,513	\$163,512	\$116,813	\$69,813	\$35,340
2009	\$1,469,393	\$351,968	\$157,342	\$114,181	\$68,216	\$34,156
2010	\$1,634,386	\$369,691	\$161,579	\$116,623	\$69,126	\$34,338

Source: IRS

Table 8. Average Tax Rate, 1980-2010 (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%
IRS changed methodology, so data above and below this line not strictly comparable											
2001	14.47%	28.17%	27.60%	23.91%	15.20%	21.68%	11.87%	18.35%	9.20%	16.08%	4.92%
2002	13.28%	28.48%	27.37%	23.17%	14.15%	20.76%	10.70%	17.23%	8.00%	14.87%	3.86%
2003	12.11%	24.60%	24.38%	20.92%	12.46%	18.70%	9.69%	15.57%	7.41%	13.53%	3.49%
2004	12.31%	23.06%	23.52%	20.83%	12.53%	18.80%	9.41%	15.71%	7.27%	13.68%	3.53%
2005	12.65%	22.48%	23.15%	20.93%	12.61%	19.03%	9.45%	16.04%	7.18%	14.01%	3.51%
2006	12.80%	21.94%	22.80%	20.80%	12.84%	19.02%	9.52%	16.12%	7.22%	14.12%	3.51%
2007	12.90%	21.42%	22.46%	20.66%	12.92%	18.96%	9.61%	16.16%	7.27%	14.19%	3.56%
2008	12.54%	22.67%	23.29%	20.83%	12.66%	18.87%	9.45%	15.85%	6.97%	13.79%	3.26%
2009	11.39%	24.28%	24.05%	20.59%	11.53%	18.19%	8.36%	14.81%	5.76%	12.61%	2.35%
2010	11.81%	22.84%	23.39%	20.64%	11.98%	18.46%	8.70%	15.22%	6.01%	13.06%	2.37%

Source: IRS

Some important facts to keep in mind about the information provided here.

- (1) For data prior to 2001, all tax returns that have a positive AGI are included, even those that do not have a positive income tax liability. For data from 2001 forward, returns with negative AGI are also included, but dependent returns are excluded.
- (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 (prior to 2001). Some dependent returns are included in the figures here prior to 2001, 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 for 2010 were taken from data that were labeled an "early release" by SOI in November 2012. The 2009 figures and those for previous years on this page were taken from the final percentile data released by the IRS. Figures for 2010 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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About the Tax Foundation

The Tax Foundation is a 501(c)(3) non-partisan, non-profit research institution founded in 1937 to educate the public on tax policy. Based in Washington, D.C., our economic and policy analysis is guided by the principles of sound tax policy: simplicity, neutrality, transparency, and stability.