

## Federal Capital Gains Tax Rates 1988 – 2011

1988 – 1990 \*

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is			
		15%	28%	33% (a)	28%
	<i>then</i>	the Tax Rate on the Capital Gain Is			
Any length of time		15%	28%	33% (a)	28%

\* The only period in U.S. history when all capital gains were taxed as wages. In most years, assets held long-term are favored with a lower rate.

(a) 28 percent plus a 5 percent surtax on taxable income incomes between \$78,401 and \$185,730 (joint) and between \$47,051 and \$109,100 (single) for the purpose of phasing out the benefits of the 15 percent bracket and personal exemptions.

1991 – 1992

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is		
		15%	28%	31%
	<i>then</i>	the Tax Rate on the Capital Gain Is		
Less Than 1 Year		15%	28%	31%
1 Year or More		15%	28%	28%

January 1, 1993 – May 6, 1997

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is				
		15%	28%	31%	36%	39.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is				
Less Than 1 Year		15%	28%	31%	36%	39.6%
1 Year or More		15%	28%	28%	28%	28%

May 7, 1997 – July 28, 1997

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is				
		15%	28%	31%	36%	39.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is				
Less Than 1 Year		15%	28%	31%	36%	39.6%
1 to 5 Years		10%	20%	20%	20%	20%
Over 5 Years		10% (a)	20% (b)	20% (b)	20% (b)	20% (b)

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2001, the rate would drop to 8 percent.

(b) The Taxpayer Relief Act of 1997 provided that on January 1, 2006, the rate would drop to 18 percent.

July 29, 1997 – July 21, 1998

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is				
		15%	28%	31%	36%	39.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is				

Less Than 1 Year		15%	28%	31%	36%	39.6%
12 to 18 Months		15%	28%	28%	28%	28%
18 Mos. to 5 Yrs.		10%	20%	20%	20%	20%
Over 5 Years		10% (a)	20% (b)	20% (b)	20% (b)	20% (b)

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2001, the rate would drop to 8 percent.

(b) The Taxpayer Relief Act of 1997 provided that on January 1, 2006, the rate would drop to 18 percent.

### July 22, 1998 – December 31, 2000

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is				
		15%	28%	31%	36%	39.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is				
Less Than 1 Year		15%	28%	31%	36%	39.6%
1 to 5 Years		10%	20%	20%	20%	20%
Over 5 Years		10% (a)	20% (b)	20% (b)	20% (b)	20% (b)

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2001, the rate would drop to 8 percent.

(b) The Taxpayer Relief Act of 1997 provided that on January 1, 2006, the rate would drop to 18 percent.

### 2001

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is					
		10%	15%	27.5%	30.5%	35.5%	39.1%
	<i>then</i>	the Tax Rate on the Capital Gain Is					
Less Than 1 Year		10%	15%	27.5%	30.5%	35.5%	39.1%
1 to 5 Years		10%	10%	20%	20%	20%	20%
Over 5 Years		8%	10%	20% (a)	20% (a)	20% (a)	20% (a)

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2006, the rate would drop to 18 percent.

### January 1, 2002 – May 5, 2003

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is					
		10%	15%	27%	30%	35%	38.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is					
Less Than 1 Year		10%	15%	27%	30%	35%	38.6%
1 to 5 Years		10%	10%	20%	20%	20%	20%
Over 5 Years		8%	10%	20% (a)	20% (a)	20% (a)	20% (a)

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2006, the rate would drop to 18 percent.

### May 6, 2003 – December 31, 2007

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is					
		10%	15%	25%	28%	33%	35%
	<i>then</i>	the Tax Rate on the Capital Gain Is					

Less Than 1 Year		10%	10%	25%	28%	33%	35%
1 Year or More		5%	5%	15%	15%	15%	15%

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

### January 1, 2008 – December 31, 2010

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is					
		10%	15%	25%	28%	33%	35%
	<i>then</i>	the Tax Rate on the Capital Gain Is					
Less Than 1 Year		10%	15%	25%	28%	33%	35%
1 Year or More		0%	0%	15%	15%	15%	15%

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles.

### January 1, 2011 +

<i>If</i> Seller Had Owned the Sold Asset for	<i>and</i>	Seller's Marginal Income Tax Rate the Year of Sale Is				
		15%	28%	31%	36%	39.6%
	<i>then</i>	the Tax Rate on the Capital Gain Is				
Less Than 1 Year		15%	28%	31%	36%	39.6%
1 to 5 Years		10%	20%	20%	20%	20%
Over 5 Years		10% (a)	20% (b)	20% (b)	20% (b)	20% (b)

Note: If the expiration of EGTRRA and JGTRRA occur as scheduled on December 31, 2010, without legislative action it might be presumed that statutory changes that were scheduled in law to occur between January 1, 2001, and December 31, 2010, would retroactively become law on January 1, 2011. If so, then two provisions of TRA'97 might become law on January 1, 2011. See footnotes (a) and (b) below.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2001, the 10-percent rate would drop to 8 percent.

(b) The Taxpayer Relief Act of 1997 provided that after January 1, 2006, the 20-percent rate would drop to 18% on assets acquired on or after January 1, 2001.