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Summary of Latest Federal Individual Income Tax Data

By

David S. Logan

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.

© Tax Foundation
National Press Building
529 14th Street, N.W., Suite 420
Washington, DC 20045

202.464.6200
www.TaxFoundation.org

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