

# Individual Income Tax Rates and Shares, 2009

by Kyle Mudry

**T**axpayers filed 140.5 million individual income tax returns for Tax Year 2009. Of those, 81.9 million (or 58.3 percent) were classified as taxable returns. This represents the lowest percentage of taxable returns in more than 24 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns was 9.7 percent lower than for 2008. Adjusted gross income (AGI) on these taxable returns decreased 10.6 percent to \$6,778 billion for 2009, while total income tax decreased 16.1 percent to \$866 billion.<sup>1</sup> The average tax rate for taxable returns decreased 0.8 percentage points to 12.8 percent.

The top 1 percent of tax returns with AGI of at least \$343,927, accounted for 16.9 percent of AGI for 2009.<sup>2</sup> This represents a decrease in income share of 3.1 percentage points from the previous year, when the cutoff for this group was \$380,354. These taxpayers accounted for 36.7 percent of the total income tax reported, a decrease from 38 percent in 2008. The top 5 percent of tax returns accounted for 31.7 percent of AGI and 58.7 percent of total income tax for 2009. To be included in the top 5 percent, a tax return must have had AGI of at least \$154,643, whereas, in 2008, the cutoff for this group was \$159,619.

This article discusses the individual income tax rates and tax shares and the computation of “total income tax” for 2009. To put this discussion into perspective, the article provides explanations of selected terms used in the article and describes the income tax structure, certain tax law changes, income and tax concepts (the “1979 Income Concept,” “modified” taxable income, and marginal tax rates), the computation of “alternative minimum taxable income,” and data sources and limitations.

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## Income Tax Rates

Discussions of income tax rates generally involve measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are calculated by dividing some measure of tax by some measure of income. Generally, for the statistics in this article, the average tax rate is “total income tax” (see the Explanation of Selected Terms section of this article) divided by AGI reported on returns showing some income tax liability.

Measures of marginal tax rates focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is the statutory rate at which the last dollar of taxable income is taxed. (See the Income and Tax Concepts section of this article for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of average and marginal tax rates in more detail and discuss the statistics based on these rates for 2009.

## Average Tax Rates

Figure A presents statistics for 1986 through 2009 on income (based on each year’s definition of AGI and on the common 1979 Income Concept) and taxes reported. (See the Income and Tax Concepts section and Figure G of this article for a more detailed explanation of the 1979 Income Concept.) These tax years can be partitioned into eight distinct periods:

- (1) Tax Year 1986 was the last year under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation, and the maximum tax rate was 50 percent.
- (2) Tax Year 1987 was the first year under the Tax Reform Act of 1986 (TRA86). For 1987, a 1-year, transitional, five-rate tax bracket structure was established with a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.

<sup>1</sup> Total income tax is limited to zero and thus does not include refundable credits.

<sup>2</sup> The number of returns with zero or negative adjusted gross income, and the corresponding amounts for adjusted gross deficit, were excluded. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2009, there were 2.5 million returns with zero or negative AGI excluded, including 3,820 returns with no adjusted gross income that reported income tax.

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**Figure A**

## Total Number of Returns, and Selected Income and Tax Items for Taxable Returns

[Money amounts are in billions of dollars, except where indicated]

Tax year	Total number of returns	Taxable returns								
		Number of returns	As a percentage of total returns [1]	Adjusted gross income (less deficit)	Total income tax	Average tax rate (percent) [2], [3]	Average per return (whole dollars) [3]			
							Current dollars		Constant dollars [4]	
							Adjusted gross income (less deficit)	Total income tax	Adjusted gross income (less deficit)	Total income tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Using each tax year's adjusted gross income										
1986	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991
1987	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747
1988	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005
1989	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915
1990	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807
1991	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711
1992	113,604,503	86,731,946	76.3	3,484	476	13.7	40,168	5,491	28,630	3,914
1993	114,601,819	86,435,367	75.4	3,564	503	14.1	41,233	5,817	28,535	4,026
1994	115,943,131	87,619,446	75.6	3,737	535	14.3	42,646	6,104	28,776	4,119
1995	118,218,327	89,252,989	75.5	4,008	588	14.7	44,901	6,593	29,463	4,326
1996	120,351,208	90,929,350	75.6	4,342	658	15.2	47,750	7,239	30,433	4,614
1997	122,421,991	93,471,200	76.4	4,765	731	15.3	50,980	7,824	31,763	4,875
1998	124,770,662	93,047,898	74.6	5,160	789	15.3	55,458	8,475	33,836	5,171
1999	127,075,145	94,546,080	74.4	5,581	877	15.7	59,028	9,280	35,431	5,570
2000	129,373,500	96,817,603	74.8	6,083	981	16.1	62,832	10,129	36,488	5,882
2001	130,255,237	94,763,530	72.8	5,847	888	15.2	61,702	9,370	34,840	5,291
2002	130,076,443	90,963,896	69.9	5,641	797	14.1	62,015	8,762	34,472	4,870
2003	130,423,626	88,921,904	68.2	5,747	748	13.0	64,625	8,412	35,122	4,572
2004	132,226,042	89,101,934	67.4	6,266	832	13.3	70,318	9,337	37,225	4,943
2005	134,372,678	90,593,081	67.4	6,857	935	13.6	75,687	10,319	38,754	5,284
2006	* 138,394,754	92,740,927	67.0	7,439	1,024	13.8	80,218	11,041	39,791	5,477
2007	** 142,978,806	96,272,958	67.3	8,072	1,116	13.8	83,851	11,588	40,449	5,590
2008	142,450,569	90,660,104	63.6	7,583	1,032	13.6	83,647	11,379	38,851	5,285
2009	140,494,127	81,890,189	58.3	6,778	866	12.8	82,765	10,574	38,579	4,929
Using 1979 Income Concept [5]										
1986	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991
1987	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747
1988	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005
1989	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915
1990	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807
1991	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711
1992	113,604,503	86,731,946	76.3	3,553	476	13.4	40,964	5,491	29,198	3,914
1993	114,601,819	86,435,367	75.4	3,625	503	13.9	41,938	5,817	29,023	4,026
1994	115,943,131	87,619,446	75.6	3,796	535	14.1	43,322	6,104	29,232	4,119
1995	118,218,327	89,252,989	75.5	4,075	588	14.4	45,655	6,593	29,957	4,326
1996	120,351,208	90,929,350	75.6	4,418	658	14.9	48,582	7,239	30,964	4,614
1997	122,421,991	93,471,200	76.4	4,849	731	15.1	51,875	7,824	32,321	4,875
1998	124,770,662	93,047,898	74.6	5,299	789	14.9	56,947	8,475	34,745	5,171
1999	127,075,145	94,546,080	74.4	5,736	877	15.3	60,666	9,280	36,414	5,570
2000	129,373,500	96,817,603	74.8	6,294	981	15.6	65,012	10,129	37,754	5,882
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2004	132,226,042	89,101,934	67.4	6,399	832	13.0	71,817	9,337	38,019	4,943
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2006	* 138,394,754	92,740,927	67.0	7,640	1,024	13.4	82,379	11,041	40,863	5,477
2007	** 142,978,806	96,272,958	67.3	8,282	1,116	13.5	86,028	11,588	41,499	5,590
2008	142,450,569	90,660,104	63.6	7,760	1,032	13.3	85,592	11,379	39,754	5,285
2009	140,494,127	81,890,189	58.3	6,893	866	12.6	84,168	10,575	39,232	4,929

\* Includes 742,859 Form 1040 EZ-T returns.

\*\* The total number of returns does not include the returns filed by individuals only to receive the economic stimulus payment and who had no other reason to file.

[1] Number of taxable returns (column 2) divided by total number of returns (column 1).

[2] Average tax rate is "total income tax" (column 5) divided by "adjusted gross income less deficit (AGI)" (column 4).

[3] The average adjusted gross income (less deficit), average total income tax, and average tax rate were calculated from unrounded data.

[4] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2009, the CPI-U = 214.537.

[5] These statistics are based on adjusted gross income less deficit (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see *Statistics of Income-Individual Income Tax Returns*, for 1986-2009. See Figure G for components of the 1979 Income Concept.

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- (3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure.<sup>3</sup> The phase-in of the provisions of TRA86 continued with a maximum tax rate of 33 percent.
- (4) Tax Years 1991 and 1992 brought a three-rate tax bracket structure (with a maximum tax rate of 31 percent), a limitation on some itemized deductions, and a phase-out of personal exemptions for some upper-income taxpayers.
- (5) Tax Years 1993 through 1996 had a five-rate tax bracket structure (with a maximum statutory tax rate of 39.6 percent), a limitation on some itemized deductions, and a phase-out of personal exemptions for some upper-income taxpayers.
- (6) Tax Years 1997 through 2000 were subject to the Taxpayer Relief Act of 1997 which added three new capital gain tax rates to the previous rate structure to form a new, eight-rate tax bracket structure (with maximum statutory tax rate of 39.6 percent). See the Income and Tax Concepts section of this article for a more detailed description of the capital gain rates.
- (7) Tax Years 2001 through 2009 were affected mainly by two new laws, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). EGTRRA included a new, 10-percent tax rate bracket, as well as reductions in tax rates for brackets higher than 15 percent of one-half percentage point for 2001 and 1 percentage point for 2002. It also included increases in the child tax credit and an increase in alternative minimum tax exemptions. Tax Year 2003, under JGTRRA, saw additional rate reductions (accelerations of EGTRRA's phased-in reductions) in ordinary marginal tax rates higher than the 15-percent rate, as well as expansions to particular income thresholds in the rates from 15 percent and below. Also, the rate for most long-term capital gains was reduced from 20 percent to 15 percent. Further, qualified dividends were taxed at this same 15-percent rate.
- These changes are detailed in the previously published article, "Individual Income Tax Rates and Shares, 2003" in Appendix C (under *Tax Rate Reduction*). Under EGTRRA, beginning in 2006, the complete phase-out of personal exemptions and the limitation on some itemized deductions for upper-income taxpayers were modified to limit the maximum phase-out of two-thirds of both the exemption amount and the itemized deduction limitation amount. For 2008, the limit was changed to one-third. Beginning in 2004, the Working Families Tax Relief Act increased the additional child tax credit refundable rate from 10 percent to 15 percent.
- (8) Beginning in 2009, the American Recovery and Reinvestment Act (ARRA) provided a 2-year making work pay refundable tax credit of up to \$400 for working individuals and \$800 for working families. The Act temporarily increased the earned income credit by modifying calculations on qualifying earned income amounts and phase-out ranges. The Act increased eligibility for receiving the refundable portion of the child tax credit for 2009 and 2010 by lowering the earned income floor to receive the credit from \$8,500 to \$3,000. For 2009 and 2010, the Act provided an American opportunity tax credit of up to \$2,500 per student of the cost of tuition and related expenses. Other selected major individual income tax provisions in the Act include: a temporary refundable first-time homebuyers credit of up to \$8,000, a temporary suspension on Federal income tax on the first \$2,400 of unemployment compensation, an additional deduction for State sales and excise taxes on the purchase of certain motor vehicles, a \$250 credit for certain government retirees, and an aggregate cap of \$1,500 on residential energy credits for 2009 and 2010.
- About 81.9 million, or 58.3 percent, of the 140.5 million individual returns filed for 2009 were classified as taxable returns. This was a 9.7-percent decrease in the number of taxable returns from 2008. This also represents the lowest percentage of individ-

<sup>3</sup> For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to a 33-percent tax rate to phase out the benefit of the 15-percent tax bracket (as compared to the 28-percent rate) and the deduction for personal exemptions. At the taxable income level where these benefits were completely phased out, the tax rate returned to 28 percent.

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ual returns that were taxable in more than 24 years. Total AGI reported on taxable returns decreased 10.6 percent to \$6,778 billion. Using the 1979 Income Concept, total income on taxable returns decreased 11.2 percent to \$6,893 billion for 2009. Total income tax decreased by more than \$165 billion (16.1 percent) to \$866 billion for 2009. Average AGI for taxable returns decreased to \$82,765 for 2009, a 1.1-percent decrease from 2008. For 2009 average income tax also decreased by 7.1 percent to \$10,574.

In order to analyze the average tax rate over time, it is necessary to use a more consistent measure of income than AGI because some tax law changes have resulted in the definition of AGI changing from year to year. The 1979 Income Concept controls for much of this variation in tax law, and its use provides a more consistent estimate of the average tax rate across years. Under the 1979 Concept, the average

tax rate for 2009 decreased to 12.6 percent from 13.3 percent for the previous year.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 12.8 percent for 2009. The average tax rate for the AGI-size classes ranged from 2.7 percent for the “\$10,000 under \$20,000” AGI-size class to 24.6 percent for the “\$1,000,000 or more” AGI-size class.

The average tax rate of 12.8 percent for 2009 for all taxable income classes combined was 0.8 percentage points lower than in 2008. The average tax rate for taxable returns in AGI classes under \$200,000 fell for 2009 and increased in the “\$500,000 under \$1,000,000” and “\$1,000,000 or more” classes. The rate for taxable returns between \$200,000 and \$500,000 remained virtually the same at 19.6 percent.

Figure B1 shows all tax returns, adjusted gross income, total income tax minus refundable credits

**Figure B**

## Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2008 and 2009

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income									
		Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Tax Year 2009:</b>											
Number of taxable returns	81,890	4	2,206	7,752	9,243	17,971	27,436	13,375	3,178	490	235
Adjusted gross income (less deficit)	6,777,685	-5,023	15,225	122,889	231,294	710,745	1,966,323	1,783,386	900,644	330,211	721,990
Total income tax	865,949	85	420	3,364	11,497	45,556	158,455	212,291	176,322	80,458	177,500
Average tax rate (percent) [2]	12.8	[3]	2.8	2.7	5.0	6.4	8.1	11.9	19.6	24.4	24.6
<b>Tax Year 2008:</b>											
Number of taxable returns	90,660	3	3,114	9,530	10,757	20,064	29,097	13,741	3,460	574	319
Adjusted gross income (less deficit)	7,583,462	-3,102	21,345	146,249	268,626	793,657	2,078,215	1,831,327	988,579	390,236	1,068,330
Total income tax	1,031,581	69	598	5,078	15,440	56,953	184,554	232,270	193,699	93,899	249,020
Average tax rate (percent) [2]	13.6	[3]	2.8	3.5	5.7	7.2	8.9	12.7	19.6	24.1	23.3
<b>Change in:</b>											
Number of taxable returns	-8,770	( Z )	-908	-1,778	-1,515	-2,093	-1,660	-367	-281	-84	-84
Percent	-9.7	[3]	-29.2	-18.7	-14.1	-10.4	-5.7	-2.7	-8.1	-14.7	-26.3
Adjusted gross income (less deficit)	-805,777	-1,920	-6,120	-23,361	-37,333	-82,912	-111,891	-47,941	-87,935	-60,024	-346,340
Percent	-10.6	-61.9	-28.7	-16.0	-13.9	-10.4	-5.4	-2.6	-8.9	-15.4	-32.4
Total income tax	-165,632	16	-178	-1,714	-3,943	-11,397	-26,099	-19,980	-17,377	-13,441	-71,520
Percent	-16.1	23.2	-29.7	-33.7	-25.5	-20.0	-14.1	-8.6	-9.0	-14.3	-28.7
<b>Average tax rate:</b>											
Percentage point change	-0.8	[4]	[5]	-0.7	-0.8	-0.8	-0.8	-0.8	[5]	0.3	1.3

[1] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[2] Average tax rate is "total income tax" as a percentage of adjusted gross income less deficit. The average tax rate was calculated from unrounded data.

[3] Percentage not computed.

[4] Change not computed.

[5] Less than 0.05 percent.

( Z )—Less than 500.

NOTE: Detail may not add to totals because of rounding.

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**Figure B1**

## All Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax Minus Refundable Credits [1], by Size of Adjusted Gross Income, Tax Years 2008 and 2009

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income									
		Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Tax Year 2009:</b>											
Number of returns	140,494	2,512	22,668	23,845	18,696	25,168	30,159	13,522	3,195	493	237
Adjusted gross income (less deficit)	7,626,431	-198,958	119,626	354,483	463,162	982,969	2,139,407	1,801,447	905,347	332,037	726,911
Total income tax minus refundable credits [2]	752,805	-1,179	-15,904	-39,945	-17,277	28,192	153,579	211,315	176,143	80,419	177,463
Average tax rate (percent) [3]	9.9	[4]	-13.3	-11.3	-3.7	2.9	7.2	11.7	19.5	24.2	24.4
<b>Tax Year 2008:</b>											
Number of returns	142,451	2,490	23,778	22,778	18,610	25,641	30,926	13,851	3,477	578	321
Adjusted gross income (less deficit)	8,262,860	-163,765	121,413	339,856	461,556	1,002,997	2,193,691	1,845,103	993,427	392,535	1,076,046
Total income tax minus refundable credits [2]	950,534	-1,068	-11,199	-27,735	-5,202	46,322	181,585	231,655	193,356	93,843	248,979
Average tax rate (percent) [3]	11.5	[4]	-9.2	-8.2	-1.1	4.6	8.3	12.6	19.5	23.9	23.1
<b>Change in:</b>											
Number of returns	-1,956	22	-1,110	1,067	86	-473	-767	-329	-282	-85	-84
Percent	-1.4	0.9	-4.7	4.7	0.5	-1.8	-2.5	-2.4	-8.1	-14.7	-26.3
Adjusted gross income (less deficit)	-636,429	-35,193	-1,788	14,628	1,606	-20,029	-54,285	-43,656	-88,079	-60,498	-349,135
Percent	-7.7	-21.5	-1.5	4.3	0.3	-2.0	-2.5	-2.4	-8.9	-15.4	-32.4
Total income tax minus refundable credits	-197,729	-111	-4,704	-12,210	-12,075	-18,130	-28,006	-20,341	-17,212	-13,424	-71,516
Percent	-20.8	-10.3	-42.0	-44.0	-232.1	-39.1	-15.4	-8.8	-8.9	-14.3	-28.7
<b>Average tax rate:</b>											
Percentage point change	-1.6	[5]	-4.1	-3.1	-2.6	-1.8	-1.1	-0.8	[6]	0.3	1.3

[1] Refundable credits includes the part used to offset other taxes.

[2] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[3] For Tax Year 2008, the refundable credits included the earned income credit, additional child tax credit, recovery rebate credit, first-time homebuyer credit, and the prior-year minimum tax credit. For Tax Year 2009, the refundable credits included the earned income credit, additional child tax credit, making work pay credit, refundable education credit, first-time homebuyer credit, and the prior-year minimum tax credit.

[4] Average tax rate is "total income tax minus refundable credits" as a percentage of adjusted gross income less deficit. The average tax rate was calculated from unrounded data.

[5] Percentage not computed.

[6] Change not computed.

NOTE: Detail may not add to totals because of rounding.

(including credits used to offset other taxes), and the average tax rate including the effects from these refundable credits. For 2009, including the effects of refundable tax credits, the average tax rate for all 140.5 million returns (and, thus, including returns with no income tax or negative income tax) was 9.9 percent. This was down 1.6 percentage points from 2008, when this rate for all returns was 11.5 percent. During the same period, AGI for all returns declined by 7.7 percent. As shown in Figure B, the average tax rate on taxable returns (not including the effects of refundable credits) was 12.8 percent, which was 0.8 percentage points lower than 2008. Much of the

difference between these decreases was attributable to the increase in the amount of refundable credits for 2009 in comparison to 2008, especially with the introduction of the making work pay credit and the American opportunity credit for 2009 (see Changes in the Law section for details).

### Marginal Tax Rate Classifications

A return's marginal tax rate is the highest statutory tax rate bracket applicable to that tax return. Marginal tax rate statistics are presented in Figure C and Table 1.<sup>4</sup> These statistics are based on individual income tax returns that show a positive taxable

<sup>4</sup> Marginal tax rate as cited in this article is the highest statutory rate on taxable income. It includes ordinary tax rates and capital gains tax rates. This concept does not include the effects of AMT or tax credits. Also, for some taxpayers, the statutory marginal tax rate may differ from the effective marginal tax rate. For example, extra income received by certain taxpayers may result in the partial phase-out of their personal exemptions as well as some of their itemized deductions. Therefore, an extra \$1 of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 35 percent, the effective marginal rate faced by the taxpayer would be somewhat higher.

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**Figure C**

## Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate [1], Tax Year 2009

[Money amounts are in thousands of dollars]

Marginal tax rate classes	Number of returns		Modified taxable income		Tax generated	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>104,164,970</b>	<b>100.0</b>	<b>5,091,769,819</b>	<b>100.0</b>	<b>953,407,786</b>	<b>100.0</b>
0 percent (capital gains)	697,273	0.7	5,483,080	0.1	--	--
5 percent (prior year rate)	15,619	[2]	93,543	[2]	4,677	[2]
10 percent	26,836,661	25.8	152,959,513	3.0	14,591,211	1.5
10 percent (Form 8814) [3]	19,108	[2]	15,557	[2]	1,565	[2]
15 percent	41,537,389	39.9	1,183,128,472	23.2	152,079,486	16.0
15 percent (capital gains) [4]	7,314,707	7.0	367,028,103	7.2	45,772,310	4.8
25 percent	21,534,962	20.7	1,568,261,541	30.8	265,213,509	27.8
25 percent (capital gains)	110,882	0.1	16,422,728	0.3	2,765,754	0.3
28 percent	3,714,412	3.6	545,834,436	10.7	115,128,765	12.1
28 percent (capital gains)	7,943	[2]	1,820,158	[2]	380,500	[2]
33 percent	1,420,839	1.4	387,601,030	7.6	95,205,412	10.0
35 percent	790,063	0.8	860,236,500	16.9	261,690,538	27.4
Form 8615 [5]	165,111	0.2	2,885,159	0.1	574,060	0.1

[1] For explanation of marginal tax rate, see Income and Tax Concepts section as well as footnote 4 of this article.

[2] Less than 0.05 percent.

[3] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[4] The 15 percent capital gains rate also includes qualified dividends.

[5] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

income amount based on “tax generated” (see the Explanation of Selected Terms section of this article) and items of income that were subject to the regular income tax, generally those included in AGI.<sup>5</sup> The Income and Tax Concepts section of this article explains the determination of the marginal tax rate bracket into which a return is assumed to fall. Table 2 contains additional data based on ordinary tax rates and presents statistics on the income and tax generated at each ordinary tax rate by size of AGI.

For 2009, the number of individual returns with modified taxable income decreased 3.5 percent to 104.2 million.<sup>6</sup> The amount of modified taxable income reported on these returns decreased 9.9 percent to \$5,091.8 billion. The tax generated on these returns decreased by 11.8 percent to \$953.4 billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated

(before alternative minimum tax and reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in the Income and Tax Concepts section of this article).

Returns with modified taxable income in the “15-percent” (ordinary income) marginal tax rate bracket contained the largest share of returns for 2009, at 39.9 percent. These returns reported 23.2 percent of modified taxable income for 2009 and generated 16 percent of income tax (before credits and excluding the AMT). Conversely, taxpayers in the “35-percent” (ordinary income) marginal rate, the least represented (ordinary income) bracket, accounted for only 0.8 percent of returns but reported 16.9 percent of the modified taxable income and 27.4 percent of the tax generated (the second largest of any tax bracket). The “10-percent” (ordinary income) marginal rate bracket reported the second

<sup>5</sup> Tax generated does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the Social Security and Medicare tax on income from self-employment), the Social Security tax on certain tip income, household employment taxes, tax from the recapture of prior-year investment, low-income housing, or other credits, penalty tax applicable to early withdrawals from an individual retirement arrangement (IRA) or other qualified retirement plans, and tax on trusts, accumulation, and distributions. The statistics for “total tax liability,” shown in Bryan, Justin, “Individual Income Tax Returns: 2009,” *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2, include these taxes.

<sup>6</sup> Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, in some situations the receipt of some forms of tax-exempt income, such as tax-exempt interest, could have influenced the taxability of other income, in particular Social Security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

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largest share of returns at 25.8 percent. However, such returns accounted for only 3 percent of modified income and 1.5 percent of income tax generated. With a 20.7-percent share of returns, making it the third largest bracket, the “25-percent” (ordinary income) marginal rate bracket reported the largest percentage (30.8) of total modified taxable income and percent of income tax generated (27.8). Returns in the “28-percent” (ordinary income) marginal rate bracket represented 3.6 percent of the total share of returns and accounted for 10.7 percent of the modified taxable income and 12.1 percent generated income tax. Returns in the “33-percent” (ordinary income) marginal rate bracket represented the second smallest share of ordinary tax rate returns at 1.4 percent, and accounted for 7.6 percent of the modified taxable income and 10.0 percent of the tax generated. Returns in the capital gain and dividends 0-percent, 15-percent, 25-percent, and 28-percent tax brackets represented 7.8 percent of returns and reported a total of 7.6 percent of modified taxable income and 5.1 percent of the tax.

As shown in Table 2, the tax generated (regular tax before credits) for 2009 at the 15-percent rate was more than any other rate. The 37.7 percent of income taxed at this rate was reported by 73.2 percent of returns with modified taxable income, producing 21.2 percent of tax generated. The 25-percent (ordinary income rate) generated the next largest amount of income tax. Tax in that bracket was reported on 26.5 percent of returns, with 15.9 percent of all modified taxable income taxed at this rate, generating 30.2 percent of the tax generated. The 35-percent rate had the third largest amount of tax generated. Tax in that bracket was reported on only 0.8 percent of returns. However, 9.5 percent of all modified taxable income was taxed at this rate, generating 17.8 percent of tax generated.

## Components of Total Income Tax

### Regular Tax

Regular tax is generally tax determined from a taxpayer’s taxable income based on statutory tax

rates. It does not include the alternative minimum tax (AMT) nor does it exclude allowable tax credits. Figure D illustrates the derivation of the aggregate tax generated for 2008 and 2009 returns. Table 1 includes two tax amounts: “tax generated” and “income tax after credits.” Tables 5 through 8 and Figures A and B include an additional measure of tax, “total income tax,” which also includes distributed tax on trust accumulations, while Figure B1 includes total income tax minus refundable credits.

As shown in Figure D and column 5 of Table 1, the tax generated by applying statutory ordinary income and capital gain tax rates to modified taxable income was \$953.4 billion, an 11.8-percent decrease from 2008.<sup>7</sup> For most taxpayers, tax generated was equal to income tax before credits. However, for some taxpayers (see Alternative Minimum Tax section of this article for explanation), income tax before credits included the alternative minimum tax (AMT) and/or special taxes on lump-sum distributions from qualified retirement plans (when a 10-year averaging method was used).<sup>8</sup> The AMT decreased 12 percent to \$22.6 billion for 2009. Income tax before credits was \$976.0 billion for 2009, down from \$1,106.9 billion, representing an 11.8-percent decrease from 2008. Taxpayers used \$110.1 billion of tax credits to reduce their income tax before credits. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC that is refundable to the taxpayer because it exceeds the taxpayer’s liability and any portion of the EIC used to reduce taxes other than income taxes are excluded from the computation of income tax after credits.<sup>9</sup> Both income tax after credits (Figure D) and total income tax (the sum of income tax after credits and tax on trust accumulation distributions) totaled \$865.9 billion. These taxes both represented a 16.1-percent decrease from 2008. Including refundable credits totaling \$113.1 billion for 2009, income tax minus refundable credits was \$752.8 billion, a 20.8-percent decrease from 2008.

For returns with modified taxable income, Table 4a shows estimates of income tax before credits by

<sup>7</sup> The 2008 data are from Mudry, Kyle, “Individual Income Tax Rates and Shares, 2008,” *Statistics of Income Bulletin*, Winter 2011, Volume 30, Number 3, p. 22-75.

<sup>8</sup> The income amounts on which these special computations for lump-sum distributions were based were not reflected in current-year AGI or current-year taxable income.

<sup>9</sup> For 2009, the total earned income credit was \$59.2 billion. This amount includes the amount used to reduce the income tax (\$0.49 billion), the amount used to reduce other taxes reported on individual income tax returns (\$4.8 billion), and the amount refunded to taxpayers (\$54 billion). Table 4 in Bryan, Justin, “Individual Income Tax Returns: 2009,” *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2 shows these amounts.

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## Figure D

### Derivation of Tax Years 2008 and 2009 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Item	2008	2009	Percentage change (2008–2009)
	(1)	(2)	(3)
<b>Tax generated from tax rate schedules or tax table</b>	<b>1,081.3</b>	<b>953.4</b>	<b>-11.8</b>
PLUS:			
Tax on lump-sum distributions from qualified retirement plans	[1]	[1]	[2]
Alternative minimum tax	25.6	22.6	-12.0
EQUALS:			
<b>Income tax before credits</b>	<b>1,106.9</b>	<b>976.0</b>	<b>-11.8</b>
LESS: Tax credits, total [3]	75.4	110.1	46.1
Child-care credit	3.5	3.3	-5.9
Child tax credit [3]	30.5	28.4	-6.9
Nonrefundable education credit	7.6	10.8	42.0
Foreign tax credit	16.6	13.1	-21.2
General business credit	1.6	1.6	-2.9
Earned income credit (limited to the amount needed to reduce total income tax to zero)	1.0	0.5	-49.6
Credit for prior-year minimum tax	0.9	0.3	-69.2
Retirement savings contribution credit	1.0	1.0	6.4
Other credits [4]	12.5	51.0	306.9
EQUALS:			
<b>Income tax after credits</b>	<b>1,031.6</b>	<b>865.9</b>	<b>-16.1</b>
PLUS: Trusts accumulation distribution	[1]	[1]	[2]
EQUALS:			
<b>Total income tax</b>	<b>1,031.6</b>	<b>865.9</b>	<b>-16.1</b>

[1] Less than \$0.05 billion.

[2] Percentage not computed.

[3] Does not include the additional child tax credit that for 2009 was \$27.5 billion which was refunded to taxpayers and not included in total income tax.

[4] Includes credits listed separately in table 2 of "Individual Income Tax Returns: 2009," *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2.

NOTE: Detail may not add to totals because of rounding.

type of tax computation. It compares the amount of tax before credits assuming that all taxable income is subject to regular tax rates with the amount of tax before credits actually computed after reflecting both regular tax rates and any special tax computations that the taxpayer is either permitted or required to make. In particular, qualified dividends and long-term capital gains are generally subject to lower tax rates, and certain dependent tax filers are required to compute their tax as if their income were the marginal income of their parents or guardian.<sup>10</sup> The capital gains computations generally reduce taxes; the special provision for certain dependent filers can only increase taxes.

For 2009, 83.9 million returns had their tax before credits computed using only regular income tax rates, compared with 85.4 million for 2008 that used only regular tax computations, a decrease of 1.8 percent. The top portion of Table 4a shows the data for these returns. Since these returns did not use any special tax computations, the difference due to special computation (shown in columns 4 and 8) is zero.

As shown in the bottom section of Table 4a, for 2009, 20.1 million returns had their tax liability decreased by Schedule D (capital gains) and dividend tax computations. This was a decrease of 40 percent from the 20.9 million returns in 2008. Taxpayers filing these tax returns paid \$48.9 billion (column 8)

<sup>10</sup> Dependents with income over \$1,900 other than earned income could file their own returns but were required to calculate their tax on other than earned income in excess of \$1,900, as if it were their parent's or guardian's marginal income. Form 8615 was used to compute the higher tax. For dependents with only modest amounts of investment income, the parent or guardian could elect to include the dependent's income on the parent's tax return and fill out Form 8814 for the dependent's income, relieving the dependent of having to file his or her own tax return.



less in tax before credits than they would have paid if they had not received the benefits of the lower tax rates for qualified dividends and capital gains. This was down from the \$68.3 billion in savings for 2008 from using these special tax rates. For these taxpayers, the average tax savings decreased from \$3,264 for 2008 to \$2,431 for 2009.

As shown in the middle section of Table 4a, for 2009, the number of tax returns filed by dependents under age 18 with Form 8615 for reporting investment income greater than \$1,900 declined by 0.2 million, representing a decrease of 57 percent from 2008. Form 8615 was used to compute the dependents tax as the dependents' income was the marginal income of the parent or guardian. This mandatory calculation can result in no change or an increase in tax before credits; it cannot lower the dependent's tax before credits. Thus, for Form 8615 filers, the difference in tax before credits due to special computations (column 8) reflects the combination of the lower tax from use of the special tax rates for dividends and capital gains and the possibly higher tax from the required Form 8615 tax computation. The combination of the two offsetting provisions reduced taxes by \$59.1 million for 2009. The net tax reduction was due to a tax reduction of \$213.6 million from use of dividend and capital gains, and a tax increase of \$154.6 million from the Form 8615 tax computation.

## Alternative Minimum Tax

The Revenue Act of 1978 established the alternative minimum tax (AMT) to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The AMT provisions may recapture some of the tax reductions under the ordinary income tax. Form 6251, Alternative Minimum Tax—Individuals, is used to calculate AMT. (See the Computation of Alternative Minimum Taxable Income section of this article for an explanation of the computation of income for AMT purposes.)

Figure E presents statistics, by size of AGI, on the AMT reported by taxpayers filing Form 6251 with their returns. Some taxpayers, included or were required to include, Form 6251, even though their tax liability was not increased due to the AMT. The tabulations in Figure E include such forms. For 2009,

AMT liability decreased 12 percent to \$22.6 billion from \$25.6 billion in 2008. The number of returns that were subject to paying the AMT decreased by 0.1 million for the period.<sup>11</sup> Alternative minimum taxable income (AMTI) for all returns filing a Form 6251 decreased 15.6 percent to \$1.8 trillion from 2008.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2009. Much of the variation in the number of taxpayers affected by the AMT and in the amount of AMT liability during the mid- to late 1980s and early 1990s was attributable to tax law changes such as TRA86, the Revenue Reconciliation Act of 1990 (RRA90), and the Omnibus Budget Reconciliation Act (OBRA93), each of which altered the AMT. Since then, the impact of the AMT has increased partially because the AMT exemptions have not been automatically indexed annually for the effects of inflation, whereas various parameters of the ordinary income tax (such as tax brackets, exemptions, etc.) have been indexed annually for inflation. In both EGTRRA in 2001 and JGTRRA in 2003, AMT exemptions were increased, while ordinary tax rates declined. For 2009, AMT levels decreased to \$22.6 billion. Since 2001, the number of returns paying AMT has more than tripled from 1.1 million to 3.8 million.

## Income and Tax Shares

Historical statistics from 1986 through 2009 on income and tax by cumulative percentiles (based on numbers of returns with positive AGI) are presented in Tables 5 through 8. Distributions of AGI, as defined for each year, and tax or income item, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, for tax years beginning in 1986.

Tables 5 and 7 are based on percentiles of returns cumulated downward from the highest income returns. The data in Tables 5 and 7 are shown for the top 0.1 percent (Table 5 only), 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent of returns. Tables 6 and 8 are based on returns cumulated upward from the lowest income returns. Data are

<sup>11</sup> Other tax returns may not have had AMT liability but the size of their tax credits may have been reduced because of the AMT.

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**Figure E**

## Returns with Alternative Minimum Tax Computation Reported on Form 6251: Total Adjustments and Preferences, and Alternative Minimum Taxable Income and Tax, by Size of Adjusted Gross Income, Tax Years 2008 and 2009

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total AMT adjustments and preferences [1]		Alternative minimum taxable income [1]		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Tax Year 2009						
<b>All returns</b>	<b>7,831,587</b>	<b>190,503,405</b>	<b>9,194,021</b>	<b>1,785,583,531</b>	<b>3,827,562</b>	<b>22,579,779</b>
Under \$1 [2]	161,005	3,834,616	215,990	-38,937,490	5,556	104,438
\$1 under \$10,000	171,195	531,740	456,430	1,336,522	283	3,991
\$10,000 under \$20,000	217,953	711,542	417,676	4,880,586	10,405	5,167
\$20,000 under \$30,000	236,829	1,029,999	407,312	7,890,142	8,039	11,276
\$30,000 under \$40,000	237,923	1,265,847	360,971	10,710,287	4,249	15,407
\$40,000 under \$50,000	241,673	1,293,867	338,763	13,219,477	3,981	7,702
\$50,000 under \$75,000	720,574	5,527,911	904,489	48,536,715	70,450	66,741
\$75,000 under \$100,000	721,588	7,896,504	813,859	61,880,808	99,872	148,679
\$100,000 under \$200,000	2,052,811	36,830,027	2,150,188	281,595,125	895,075	1,906,814
\$200,000 under \$500,000	2,544,187	68,192,193	2,594,969	695,219,809	2,385,452	13,349,664
\$500,000 under \$1,000,000	380,627	22,746,161	386,226	235,164,173	292,146	3,658,092
\$1,000,000 or more	145,224	40,642,997	147,150	464,087,379	52,053	3,301,807
Tax Year 2008						
<b>All returns</b>	<b>8,107,835</b>	<b>224,641,970</b>	<b>9,368,399</b>	<b>2,115,382,770</b>	<b>3,935,248</b>	<b>25,649,084</b>
Under \$1 [2]	152,087	4,400,620	190,461	-37,762,395	4,522	84,315
\$1 under \$10,000	135,449	411,187	409,114	1,236,415	1,996	1,667
\$10,000 under \$20,000	204,348	697,478	396,431	4,537,718	8,562	6,595
\$20,000 under \$30,000	244,123	1,156,030	383,820	7,332,580	7,219	12,141
\$30,000 under \$40,000	248,545	1,249,629	357,634	10,265,392	1,668	6,468
\$40,000 under \$50,000	251,762	1,501,893	349,773	13,469,193	5,194	19,507
\$50,000 under \$75,000	732,349	6,685,113	899,497	48,078,894	73,921	84,395
\$75,000 under \$100,000	739,983	9,068,168	823,847	62,818,884	113,642	236,706
\$100,000 under \$200,000	2,083,231	38,956,482	2,178,359	285,292,652	860,296	2,008,640
\$200,000 under \$500,000	2,684,791	74,901,818	2,736,825	740,279,297	2,448,210	13,649,960
\$500,000 under \$1,000,000	429,813	27,025,070	438,358	269,265,523	324,641	4,215,840
\$1,000,000 or more	201,354	58,588,480	204,279	710,568,617	85,375	5,322,850

[1] See Figures I and J for the calculation of alternative minimum taxable income and the list of alternative minimum tax adjustments and preferences.

[2] Includes returns with adjusted gross deficit.

NOTE: Detail may not add to totals because of rounding.

shown for the bottom 50 percent, 75 percent, 90 percent, 95 percent, and 99 percent of all returns.

Consider, for example, the data in Table 5 for the 138 million returns filed for 2009 with positive AGI.<sup>12</sup> The average tax rate for these returns was 11.1 percent, a 1.2-percentage point decrease from 2008. (A sizeable portion of returns with positive AGI are nontaxable, accounting for the difference in the computation of this particular average tax rate versus the 12.8-percent average tax rate for taxable returns only, shown in Figure A.) As expected for a graduated income tax system, the top 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent all

recorded a larger share of the income tax burden than their respective shares of AGI. For 2009, the returns in the top 0.1 percent reported 7.8 percent of total AGI and 17.1 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$1,432,890. For 2008, the returns in this percentile group (i.e., those with at least \$1,803,585 in AGI) reported 10 percent of total AGI and 18.5 percent of total income tax.

For 2009, the returns in the top 1 percent reported 16.9 percent of total AGI and 36.7 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was

<sup>12</sup> The percentile groupings of tax filers exclude returns with zero or negative AGI.

**Figure F**

**Alternative Minimum Tax, Tax Years 1986–2009**

[Tax rates are in percentages—money amounts are in thousands of dollars]

Tax year	Highest statutory alternative minimum tax rate	Alternative minimum tax	
		Number of returns	Amount
	(1)	(2)	(3)
1986	20	608,907	6,713,149
1987	21	139,779	1,674,898
1988	21	113,562	1,027,884
1989	21	117,483	831,012
1990	21	132,103	830,313
1991	24	243,672	1,213,426
1992	24	287,183	1,357,063
1993	28	334,615	2,052,790
1994	28	368,964	2,212,094
1995	28	414,106	2,290,576
1996	28	477,898	2,812,746
1997	28 [1]	618,072	4,005,101
1998	28 [1]	853,433	5,014,549
1999	28 [1]	1,018,063	6,477,697
2000	28 [1]	1,304,197	9,600,840
2001	28 [1]	1,120,047	6,756,705
2002	28 [1]	1,910,789	6,853,901
2003	28 [1]	2,357,975	9,469,803
2004	28 [1]	3,096,299	13,029,239
2005	28 [1]	4,004,756	17,421,071
2006	28 [1]	3,966,540	21,564,586
2007	28 [1]	4,108,964	24,109,512
2008	28 [1]	3,935,248	25,649,084
2009	28 [1]	3,827,562	22,579,779

[1] Top rate on most long-term capital gains was 20%, for 2003-09 the top rate was 15 percent.

\$343,927. For 2008, the returns in this percentile group (i.e., those with at least \$380,354 in AGI) reported 20 percent of total AGI and 38 percent of total income tax.

For 2009, the returns in the top 5-percent group (returns reporting AGI of \$154,643 or more) reported 31.7 percent of total AGI and 58.7 percent of income tax, compared to 34.7 percent and 58.7 percent, respectively, for 2008 (when the AGI floor was \$159,619). For 2009, returns in the top 10-percent group (returns with AGI of at least \$112,124) reported 43.2 percent of AGI and paid 70.5 percent of income tax. For 2008, the returns in this percentile group (with AGI of \$113,799 or more) reported 45.8 percent of total AGI and 69.9 percent of income tax. The top 50-percent group (reporting AGI of \$32,396

or more) accounted for 86.5 percent of AGI and paid almost all (97.8 percent) of the income tax for 2009.

The statistics by percentile in Tables 5 and 6 for years prior to 1991 and in Tables 7 and 8 for years prior to 1994 were estimated using a mathematical technique called “osculatory interpolation,” applied to aggregated data tabulated by income-size classes, in order to distribute the tax returns within each class.<sup>13</sup> For 1991 and later years, the statistics by percentiles in Tables 5 and 6, were computed based on an actual ranking of the returns in the statistical sample that served as the basis for Individual Statistics of Income estimates. The same was done for Tables 7 and 8 for 1994 and later years. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable for Tables 5 and 6. Similarly for Tables 7 and 8, pre-1994 and post 1993 data are believed to be comparable.

**Explanation of Selected Terms**

This section provides brief explanations of the major tax concepts discussed in this article. For more extensive definitions, see Individual Income Tax Returns 2009, Statistics of Income Division, Internal Revenue Service, Publication 1304.

*Adjusted gross income*—Adjusted gross income is “total income,” as defined by the Internal Revenue Code, less “statutory adjustments” (primarily business, investment, or certain other deductions, such as payments to a Keogh self-employed retirement plan, certain deductible contributions to an individual retirement arrangement (IRA), self-employed health insurance deductions, and one-half of Social Security taxes for the self-employed). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and net amounts from such sources as business income, rents and royalties, and sales of capital assets.

*Difference due to special tax computation*—For this article, the tax difference is the amount of tax resulting from using provisions of one of the special tax computations (Form 8615 or Schedule D and qualified dividends) less the amount of tax that would have resulted from not having used any of these provisions (regular tax computation).

<sup>13</sup> For an explanation of the osculatory interpolation technique, see Oh, H. Lock, “Osculatory Interpolation with a Monotonicity Constraint,” 1977 *Proceedings of the American Statistical Association, Section on Statistical Computing*, 1978.

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*Dividends*—Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These conditions include: the dividend must have been paid by a U.S. corporation or a “qualified” foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent generally (or 0 percent for amounts that would otherwise have been taxed at the 10-percent or 15-percent regular income rates).

*Form 8615 tax computation*—Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,900 if the child:

- (1) Was age 18 at the end of 2009 and did not have earned income that was more than half of the child’s support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2009 and did not have earned income that was more than half of the child’s support.

*Income tax before credits*—This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D tax worksheet, foreign-earned income tax work-

sheet, Schedule J, or Form 8615, plus Form (s) 8814, any additional taxes from Form 4972, and the alternative minimum tax.

*Income tax before credits (regular tax computation)*—This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional tax (tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was payable on investment income of children, for this concept, all the income was taxed at the child’s rate rather than at the rate of the parents. When the Schedule D tax was payable on net long-term capital gains, the tax was based on the regular tax rates rather than the 0-percent, 15-percent, 25-percent, or 28-percent tax rate for capital gains. When a tax was payable on a qualified dividend, the tax was based on regular tax rates instead of the maximum tax rate for qualified dividends, 15 percent (0 percent for amounts that would otherwise have been taxed in the 10-percent tax bracket). This is in contrast to the computation of income tax before credits (see above) in which special tax computations such as those involved on Form 8615, Schedule D and qualified dividends are taken into account. See Table 4.

*Income tax after credits*—To arrive at income tax after credits, taxpayers deducted total credits from income tax before credits. For the statistics, tax was further reduced by the portion of the earned income credit, first-time homebuyer credit, making work pay credit, refundable education credit, refundable prior year minimum tax credit and the recovery rebate credit which did not result in a negative tax. Any tax remaining after subtraction of all credits and the credits mentioned above, was tabulated as income tax after credits. This is limited to zero.

*Income tax minus refundable credits*—This amount consisted income tax after credits from the Form 1040, less the Form 4970 tax, less the refundable credits including those used to offset other taxes. For Tax Year 2009, refundable credits included the earned income credit, additional child tax credit, making work pay credit, refundable education credit, first time homebuyer credit, and the (refundable) prior year minimum tax credit. This concept allows income tax to be negative if the refundable credit amounts exceed the income tax owed amount.

*Marginal tax rate*—See Income and Tax Concepts section.

*Modified taxable income*—See Income and Tax Concepts section.

*Regular tax computation*—Depending on marital status and size of taxable income, the taxpayer used one of the four tax rate schedules (or an approximation from the tax table) to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

*Schedule D and qualified dividend tax computation*—Schedule D was used to compute the 0-percent, 15-percent, 25-percent, and 28-percent taxes on net long-term capital gains (in excess of net short-term capital losses) if such computations were beneficial to the taxpayer. Any investment interest allocated from long-term capital gains to net investment income for the investment interest expense deduction (on Form 4952) was excluded from this computation. Qualified dividends were taxed at a maximum tax rate of 15 percent (0 percent for amounts that would otherwise have been taxed in the 15-percent bracket).

*Taxable income*—Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for non-itemizers or total itemized deductions. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

*Taxable returns*—A return is classified as “taxable” based on the presence of “total income tax.” The following additional taxes were not taken into account for this purpose: self-employment; household employment; Social Security; Railroad Retirement Tax Act (RRTA) taxes; tax from recomputing prior-year investment; low-income housing and a few other business credits; penalty taxes on individual retirement arrangements; section 72 penalty taxes; advance earned income credit payments; or “golden parachute” payments (made to key employees as compensation under certain circumstances).

*Tax generated*—This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated does

not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special tax on lump-sum distributions from qualified retirement plans or alternative minimum tax), tax generated equals “income tax before credits.”

*Total income tax*—This is the sum of income tax after credits and tax on accumulated trust distribution from Form 4970, less the portion of EIC used to offset other taxes as well as the refundable portion of EIC less the amount used to offset other taxes and the refundable portion of various other credits (including the making work pay and government retiree credits, refundable education credit, first-time homebuyer credit, and refundable prior-year minimum tax credit (with tax limited to zero)).

## Income Tax Structure

Taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 2009 were generally based on the amount of “gross income,” filing status, age, dependency, and blindness.<sup>14</sup> Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer or taxpayers (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 2009 if they had net earnings from self-employment of at least \$400; liability for Social Security or Medicare tax on unreported tip income; Social Security, Medicare, or Railroad Retirement tax on reported tip income or group-term life insurance; “alternative minimum tax;” tax on qualified retirement plan distributions, including an individual retirement arrangement (IRA) or a medical savings account (MSA); tax on the recapture of investment credit, education credit, low-income housing credit, or a few other business credits; recapture tax on the disposition of a home purchased with a Federally subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from Social Security taxes.

<sup>14</sup> Taxpayers fall into one of five filing statuses: single; married filing jointly; married filing separately; head of household; or surviving spouse. Being age 65 or older or being legally blind affects the amount of the standard deduction and, hence, the filing requirements. Taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements, see Bryan, Justin, “Individual Income Tax Returns: 2009,” *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2.

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Gross income includes all income received as money, goods, property, or services that was not expressly exempt from tax.<sup>15</sup> Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses.<sup>16</sup> “Taxable income,” the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers’ incomes exceeding certain income thresholds.

Income tax before credits is calculated from taxable income using: tax tables or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children’s investment income; Schedule J for farmers and fishermen to income-average; foreign-earned income worksheet; Schedule D and Qualified Dividends worksheet for net long-term capital gains and qualified dividends; or some combination of the above. For 2009, the tax rates for each filing status were 0 percent, 10 percent, 15 percent, 25 percent, 26 percent, 28 percent, 33 percent, and 35 percent. The tax rates of 0 percent and 15 percent were used for qualified dividends and net long-term capital gains (in excess of net short-term capital losses). The 26-percent tax rate was only for the alternative minimum tax. Income tax before credits includes any alternative minimum tax.<sup>17</sup>

To calculate their Federal income tax liability for 2009, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than \$100,000 were required to use the tax table, while those with taxable income of \$100,000 or more were required to use the tax rate schedules. The tax

table was based on income tax “brackets” up to \$50 wide.<sup>18</sup> The tax within each bracket was based on the tax calculated at the midpoint of the bracket and then rounded to the nearest whole dollar. As a result, the tax tables and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. Use of the tax tables could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules. For taxpayers using the tax tables with taxable income that was subject to the 28-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$7.<sup>19</sup> However, for most taxpayers, the actual difference in tax was smaller.

## Changes in Law for 2009

The definitions used in this article are generally the same as those in *Statistics of Income—2009, Individual Income Tax Returns* (IRS Publication 1304). The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2009 data presented in this article.

*Additional child tax credits*—Modifications were made to the additional child tax credit for 2009. For Tax Year 2008, the credit limit based on earned income was 15 percent of a taxpayer’s earned income that exceeded \$8,500. For 2009, the limit was 15 percent of a taxpayer’s earned income that exceeded \$3,000.

*Alternative minimum tax (AMT)*—For Tax Year 2009, the alternative minimum tax exemption rose to \$70,950 for a married couple filing a joint return, up from \$69,950 in 2008, and to \$46,700 for singles and heads of household, up from \$46,200, and to \$35,475 from \$34,975 for a married person filing separately.

*Earned income credit*—The maximum amount of the earned income credit increased, as did the

<sup>15</sup> As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross income from sole proprietorships and farming, income from partnerships and S corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, *U.S. Individual Income Tax Return*, and concept of “total income,” which is a component of the adjusted gross income (AGI) calculation on Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from such items as business income and rents and royalties.

<sup>16</sup> As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, moving expenses, the health insurance deduction for certain self-employed taxpayers, and one-half of self-employment tax.

<sup>17</sup> Income tax before credits includes tax on lump-sum distributions from qualified retirement plans.

<sup>18</sup> For taxable income between \$0 and \$5 and between \$5 and \$25, the tax brackets were \$5 and \$10 wide, respectively. For taxable income between \$25 and \$3,000, the brackets were \$25 wide. For taxable income above \$3,000 the brackets were \$50 wide.

<sup>19</sup> For example, assume a taxpayer filing as “married filing separately” reported taxable income of \$99,950. Using the tax table, the tax would be \$22,125, but, using the tax rate schedules, the tax would be \$22,018, a difference of \$7.

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amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased to \$3,100 from \$2,950. The maximum credit for taxpayers with no qualifying children increased to \$457 from \$438. For these taxpayers, earned income and AGI had to be less than \$13,440 (\$18,440 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$126 to \$3,043 and for taxpayers with two qualifying children, the maximum credit increased to \$5,028 from \$4,824. New for 2009, the maximum credit was \$5,657 for taxpayers with three or more qualifying children. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$35,463 (\$40,463 for married filing jointly) for one qualifying child, less than \$40,295 (\$45,295 for married filing jointly) for two qualifying children, or less than \$43,279 (\$48,279 for married filing jointly) for three or more qualifying children.

*Education credits*—The American opportunity credit was a new education credit (a modification of the Hope credit) available for 2009. The maximum credit per student was \$2,500 (100 percent of the first \$2,000 and 25 percent of the next \$2,000 of qualified education expenses). The credit was available for the first 4 years of postsecondary education, and 40 percent of the credit (up to \$1,000) was refundable. The American opportunity credit was phased out for AGI between \$80,000 and \$90,000 (\$160,000 and \$180,000 if married filing jointly). A taxpayer could not take the credit if he or she was claimed as a dependent on another return, married filing separately, or took a deduction for tuition and fees for the same student.

*First-time homebuyer credit*—For Tax Year 2009, a taxpayer may have claimed this credit (up to \$8,000, or \$4,000 if married filing separately) if he or she bought a home after 2008 and before October 1, 2010 (if the taxpayer entered a written binding contract before May 1, 2010), and did not own a main home during the prior 3 years. Taxpayers were only allowed to claim this credit in Tax Year 2009 if their modified AGI was below \$95,000 (\$170,000 if married filing jointly), and they purchased the home before November 7, 2009. If the home was purchased after November 6, 2009, this income limit was increased to \$145,000 (\$245,000 if married filing

jointly). For homes purchased in 2009 or 2010, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date.

*Government retiree credit*—Taxpayers were eligible for this new credit if they received a pension or annuity payment in 2009 for service performed for the Federal, State, or local government, and the service was not covered by Social Security. The credit was \$250 (\$500 if married filing jointly and both the taxpayer and spouse received qualifying pensions or annuities). A taxpayer could not take the credit if he or she already received a \$250 economic recovery payment (or in the case of joint returns, where both received \$250 payments) in 2009. The credit reduced the making work pay credit. This credit was taken on approximately 922,000 individual tax returns and totaled \$0.3 billion. These were included in the statistics with the making work pay credit.

*Health savings account deduction*—The deduction was limited to the annual deductible on the qualifying high deductible health plan, but not more than \$3,000 (\$5,950 if family coverage), an increase from \$2,900 (\$5,800 if family coverage) for 2008. These limits were \$1,000 higher if the taxpayer was age 55 or older (\$2,000 if both spouses were 55 or older). For 2008, these limits were \$900 and \$1,800 respectively.

*Indexing*—The following items increased due to indexing for inflation: personal exemption amounts, the basic and additional standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phase-out of personal exemptions. Also, the maximum amount of earnings subject to self-employment Social Security tax increased based on the percentage change in average covered earnings.

*Individual retirement arrangement deduction*—For 2009, a taxpayer (both taxpayers for taxpayers filing jointly) may have been able to take an IRA deduction up to \$5,000 (\$6,000 if age 50 or older). Taxpayers not covered by a retirement plan may have been able to deduct all contributions. For taxpayers covered by a retirement plan, the IRA deduction phased out between \$55,000 and \$65,000 of modified AGI for single filers (\$85,000 and \$105,000 for married filing jointly or qualifying widow(er)). This was up from \$53,000 and \$63,000 for single filers (\$83,000 and \$103,000 for married filing jointly or qualifying widow(er)) in 2008. If one spouse was

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an active participant in an employer plan but the other was not, the deduction for the IRA contribution of the spouse not covered by an employer plan phased out between modified AGI of \$166,000 and \$176,000, up from \$159,000 and \$169,000 for 2008.

**Making work pay credit**—Taxpayers were able to take a credit equal to 6.2 percent of their earned income up to \$400 (\$800 if married filing jointly) if they had earned income from work and were not a dependent on another tax return. Taxpayers could not take the credit if their modified AGI was greater than or equal to \$95,000 (\$190,000 if married filing jointly). The credit phased out between \$75,000 and \$95,000 (\$150,000 and \$190,000 if married filing jointly). The credit was reduced if the taxpayer received a \$250 economic recovery payment in 2009 or took the government retiree credit. However, the government retiree credit portion of this was included in the statistics for the making work pay credit.

**Motor vehicles tax deduction**—New for 2009, a taxpayer could have deducted any State or local sales or excise taxes on the purchase of a new motor vehicle. In states without a sales tax, the taxpayer may have been able to deduct other taxes or fees. The motor vehicle must have been purchased after February 16, 2009, and the amount the taxpayer could include for State or local sales and excise taxes was limited to the taxes imposed on the first \$49,500 of the purchase price. Taxpayers were allowed to take this deduction if their AGI was less than \$135,000 (\$260,000 if married filing jointly). The deduction of the taxes was taken on Schedule A, if the taxpayer itemized. If the taxpayer did not itemize, the taxes increased the taxpayer's standard deduction using Schedule L, *Standard Deduction for Certain Filers*.

**Residential energy credit**—For 2009, the non-business energy property credit was reinstated for qualified property placed in service after 2008. A taxpayer was able to take a credit of 30 percent of the costs paid or incurred in 2009 for qualified energy efficient improvements and residential energy property. The credit was limited to a total of \$1,500. The credit was not available for non-business property in 2008. There was also a credit for residential energy efficient property in 2009. For 2009, the annual maximum credit limits were eliminated for qualified

solar, small wind energy, and geothermal heat pump property costs. A taxpayer could have taken a credit of 30 percent of their costs of qualified solar electric property, solar water heating property, small wind energy property, and geothermal heat pump property.

## Income and Tax Concepts

As discussed in the Income Tax Structure section, gross income is all income received that is not specifically excluded. Total income is the net amount of gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

### 1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the law changes, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 2009 includes many income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes some nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns and disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept.<sup>20</sup>

### Modified Taxable Income

This concept is relevant only for "prior-year returns" (about 4.6 million returns) or certain farm sole proprietor returns using income-averaging on Schedule

<sup>20</sup> For more details on the income computation under the 1979 Income Concept for 2009, see *Statistics of Income—2009, Individual Income Tax Returns 2009*, Statistics of Income Division, Internal Revenue Service, Publication 1304.



**Figure G**

## Components of the 1979 Income Concept, Tax Year 2009

### Income or Loss:

- Salaries and wages [1]
- Interest [1]
- Dividends [1]
- Taxable refunds [1]
- Alimony received [1]
- Capital gain distributions not reported on Schedule D [1]
- Capital gains reported on Schedule D minus allowable losses [1]
- Other gains and losses (Form 4797) [1]
- Business net income or loss [1]
- Farm net income or loss [1]
- Rent net income or loss [1]
- Royalty net income or loss [1]
- Partnership net income or loss [1]
- S Corporation net income or loss [1]
- Farm rental net income or loss [1]
- Estate or trust net income or loss [1]
- Unemployment compensation [1]
- Depreciation in excess of straight-line depreciation [2]
- Total pension income [3], [4]
- Other net income or loss [5]
- Net operating loss [1]

### Deductions:

- Disallowed passive losses (Form 8582) [6]
- Moving expenses [1]
- Alimony paid [1]
- Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2009.

[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

[4] Not fully included in AGI for Tax Year 2009.

[5] Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."

[6] Not included in AGI for Tax Year 2009.

J (about 68 thousand returns) or those returns with foreign-earned income having to use a worksheet to determine their taxes (about 181.3 thousand returns). For all other returns, modified taxable income is identical to taxable income.

This is the term used in the statistics to describe "income subject to tax," the actual base on which tax is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the Statistics of Income sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year's tax law (which may reflect different tax rates and in-

come concepts). For the statistics in this article, the taxable incomes reported on these prior-year returns and those filed with a Schedule J or foreign-earned income are modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates.

### Marginal Tax Rates

Under the progressive U.S. income tax rate structure, different portions of taxable income are taxed at different rates. Figure H illustrates how income tax is determined for a single taxpayer with AGI of \$410,000 who used the standard deduction. As shown in the example, six different tax rates were applied to the taxable income to arrive at total tax. The first \$8,350 of taxable income were taxed at the 10-percent rate; the next \$25,600 of taxable income were taxed at the 15-percent rate; the next \$48,300 were taxed at the 25-percent rate; the next \$89,300 were taxed at the 28-percent rate; the next \$201,400 were taxed at the 33-percent rate; and the remaining \$28,917 were taxed at the 35-percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. In the example, the marginal tax rate is 35 percent.

Since the individual income tax structure includes various types of income, deductions, exclu-

**Figure H**

## Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2009

[Money amounts are in dollars]

Item	Amount
Adjusted gross income	410,000
Less: Exemption	[1] 2,433
Standard deduction	5,700
Equals: Taxable income	401,867
Tax based on tax rates for single taxpayers:	
First \$8,350 taxed at 10 percent	835
Next \$25,600 taxed at 15 percent	3,840
Next \$48,300 taxed at 25 percent	12,075
Next \$89,300 taxed at 28 percent	25,004
Next \$201,400 taxed at 33 percent	66,462
Next \$28,917 taxed at 35 percent	10,121
Total tax from tax rate schedule	118,337

[1] The exemption amount was limited to \$2,433 because AGI exceeded \$289,300.

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sions, credits, and taxes that are not subject to the same treatment under tax laws, the marginal tax rate is not always apparent. For instance, investment income of a dependent under age 18 in excess of a specific amount is treated differently than salaries and wages of the same dependent (see Changes in Law section on tax on child's investment income). The investment income in excess of \$1,900 was taxed at the marginal tax rate of the parents, whereas the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends both on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received "last." Additional complexity is added by the presence of such items as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal (highest) rate was the "last" income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows:

- (1) If a return showed taxable income, the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed.
- (2) If the return had no taxable income except for net long-term capital gains or qualified dividends and that amount was less than or equal to the 15-percent tax bracket limit, the return was defined as having a "0-percent" marginal tax rate. If the return had taxable income (from other than net long-term capital gains) to which only the 15-percent tax rate applied, as well as net long-term capital gains to which the 25-percent rate on the net gain applied, the return was defined as having a marginal tax rate equal to the maximum rate at which the net gains were taxed. If the return had taxable income (from other than net long-term capital gains) to which the 25-percent tax rate applied as the highest rate, as well as net long-term capital gains to which the maximum 28-percent rate on net gain applied, the return was defined as having a "28-percent" marginal tax rate. However, if the return had taxable income (from other than net

long-term capital gains) above the maximum amount to which the 25-percent rate applied, as well as net long-term capital gains to which the 28-percent rate on the net gain applied, the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed.

- (3) For returns of dependents with a Form 8615 attached when use of this form resulted in taxation of some of the dependent's income as if it were that of the parents, the return was classified as having a "Form 8615" marginal tax rate (the returns in the Form 8615 classification are not distributed by tax rate).
- (4) For returns of parents choosing to report interest, dividend, and capital gain distribution income of their dependents under age 18 (or under 24 if students) on their own (i.e., the parents') return using Form 8814, when the dependent's income generated the only tax liability on the parent's return, the return was classified with a "Form 8814" marginal tax rate of 10 percent.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of net short-term capital losses) and/or qualified dividends, and presence of Form 8615 or Form 8814. Returns were classified into one of the following 13 mutually exclusive marginal tax rate categories: (1) 0-percent rate (capital gains); (2) 5 percent (prior year capital gains); (3) 10-percent rate; (4) Form 8814 (10-percent rate with no tax liability other than that generated by the dependent's income); (5) 15-percent rate; (6) 15 percent (capital gains); (7) 25-percent rate; (8) 25-percent (capital gains); (9) 28-percent rate; (10) 28 percent (capital gains); (11) 33-percent rate; (12) 35-percent rate; and (13) Form 8615 (with income taxed at any rate).

Table 1 presents statistics by marginal tax rate classification and filing status for returns with modified taxable income. For each marginal rate classification, modified taxable income and "income tax generated" were computed "at all rates" and "at marginal rate." The "at all rates" computations (columns 3 and 5) show the total amount of modified taxable income or tax generated, tabulated by the marginal

tax rate specified; each tax rate classification is mutually exclusive. The “at marginal rate” computations (columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications. The alternative minimum tax was not included in the statistics by marginal tax rate.

For example, consider returns in the “joint returns and returns of surviving spouses” filing status that were included in the “35-percent” marginal tax rate classification. The total modified taxable income for the estimated 664,972 returns in this classification “at all rates” was \$717.6 billion (column 3), and the total tax generated was \$217.4 billion (column 5). Approximately \$398.9 billion (column 4) of the modified taxable income were subject to tax at the marginal tax rate of 35 percent. This modified taxable income generated \$139.6 billion (column 6) in tax at the 35-percent tax rate with the remainder generated at some or all of the lower eight tax rates.

Table 2 provides statistics on the tax generated (regular tax before credits), in total and at each tax rate bracket, for returns with modified taxable income. Returns in this table are classified by size of AGI. The tax generated at each tax rate was computed based on the modified taxable income for each individual return.

For example, the 3.2 million returns included in the “\$200,000 under \$500,000” income-size classification showed total modified taxable income of \$719.7 billion and generated total tax of \$167.2 billion. Of this \$719.7 billion of modified taxable income, \$49.4 billion were taxed at 10 percent (ordinary tax rate); \$150.1 billion were taxed at 15 percent (ordinary tax rate); \$202.5 billion were taxed at the 25-percent (ordinary tax) rate; \$165.6 billion were taxed at the 28-percent (ordinary tax) rate; \$105.4 billion were taxed at the 33-percent rate; and \$6.3 billion were taxed at the 35-percent rate. Approximately \$3.1 billion were taxed at the 0-percent (capital gains) rate; \$35.7 billion were taxed at the 15-percent capital gain and qualified dividend rate; \$1 billion were taxed at the 25-percent capital gain rate; \$0.2 billion were taxed at the 28-percent capital gain rate, with the remainder from tax related to Forms 8814 and 8615.

Table 3 presents statistics on the income and tax generated at each tax rate, by filing status, for returns

with modified taxable income. Under 0.7 million of the 44.2 million jointly filed returns (including surviving spouses) with modified taxable income had some income taxed at the 35-percent tax rate. For these returns, the taxable income subject to this rate was \$398.9 billion, and the tax generated was \$139.6 billion.

## Computation of Alternative Minimum Taxable Income

Alternative Minimum Taxable Income (AMTI) was computed by adding certain “tax preferences” (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and “adjustments” (i.e., regular tax deduction amounts recomputed or excluded for AMT purposes) to taxable income before any deductions were taken for personal exemptions (Figures I and J). Although itemized deductions for some taxpayers were limited for regular tax purposes, the full amounts of such itemized deductions were included as adjustments. To compensate for this, the overall limitation on itemized deductions was then subtracted from taxable income for AMT purposes. The “net operating loss deduction” was recomputed to allow for the exclusion of the “tax preference items” and “adjustments” used to reduce regular tax liability. The recomputed net operating loss deduction, termed the “alternative net operating loss deduction,” was limited to 90 percent of AMTI (with certain minor exceptions for 2009).

AMTI was reduced by an exemption amount which depended on the filing status of the indi-

### Figure I

#### Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2009

	Taxable income before deduction for personal exemptions
PLUS:	Adjustments and preferences (see Figure J)
PLUS:	Net operating loss deduction
MINUS:	Overall itemized deductions limitation
MINUS:	Alternative tax net operating loss deduction [1]
EQUALS:	Alternative minimum taxable income

[1] Limited to 90 percent of AMTI, except when depletion is present on Form 6251. In this case, AMTI is recalculated, and the alternative tax net operating loss deduction is limited to 90 percent of the recalculated amount.

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## Figure J

### Alternative Minimum Tax Adjustments and Preferences, Tax Year 2009

- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI)
- Deductions for State and local income, sales, real estate, personal property, and foreign taxes
- Mortgage interest adjustment on the worksheet from the Form 6251 instructions
- Miscellaneous itemized deductions subject to the 2-percent-of-AGI limitation
- Itemized deduction limitation on the worksheet from the Schedule A instructions
- If standard deduction is claimed, amount from Form 4684, line 18a, as a negative amount
- Refunds of State and local income, sales, real estate, personal property, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over the adjusted basis (the result could be negative)
- Deduction for net operating loss from Form 1040
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excluded gain, under the section 1202 gain on qualified small business stock held more than 5 years, multiplied by 7% if sold after May 5, 2003, otherwise multiplied by 42%
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for AMT purposes (the result could be negative)
- Electing large partnerships, enter the amount from Schedule K-1 (Form 1065-B), box 6
- Adjustment of gain or loss on property, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for AMT purposes (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax (AMT) purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Passive activity gains and losses allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account AMT adjustments and preference items and any AMT prior-year unallowed losses (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account AMT adjustments and preference items (the result could be negative)
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result is negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs were capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas, and geothermal wells, with exceptions for independent oil producers and royalty owners
- Excess of accelerated depreciation on property placed in service using pre-1987 rules over straight-line depreciation as refigured for AMT purposes
- Adjustment for taxable distributions received from a cooperative (total AMT patronage dividend and per-unit retain allocation)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Adjustment for charitable contributions of certain property for which section 170(e) of the Internal Revenue Code applies
- Adjustment for alcohol fuel credit included in taxable income (the amount is included as a negative)
- Adjustment for refigured tax shelter farm losses, taking into account AMT adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, including section 179 expense deduction, expenses for business or rental use of the home, conservation expenses, taxable IRA distributions, self-employed health insurance deduction, Keogh retirement plan or self-employed SEP deduction, and IRA deductions (the result could be negative)
- Deduction for alternative tax net operating loss

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vidual and which was subject to phase-out at higher AMTI levels. The AMT exemption for single filers (and heads of households) for 2009 was \$46,700; for joint filers and surviving spouses, \$70,950; and for married persons filing separately, \$35,475. The exemption was reduced (but not below zero) by 25 percent of the amount by which the AMTI exceeded threshold levels of \$112,500 for single filers and heads of households, \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single or head of household, married filing jointly, and married filing separately, at \$299,300, \$433,800, and \$216,900 of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500 if married filing separately) of the remaining AMTI was subject to tax at a 26-percent rate, with any excess taxed at a 28-percent rate. However, capital gains and qualified dividends (recalculated for AMT purposes) that were taxed at lower rates (0 percent, 15 percent, and 25 percent) were taxed at these same rates for the AMT, with the rest of AMTI being taxed at the rates mentioned above (26 percent or 28 percent). The resulting tax was reduced by the “alternative minimum tax foreign tax credit,” which produced a “tentative minimum tax.” Tentative minimum tax was further reduced by the individual’s regular tax before credits (excluding tax on lump-sum distributions from qualified retirement plans) less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 18 and certain children under 24 with investment income over a certain amount who filed their own returns were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid if the parents included the dependents’ incomes on their own tax

returns. (Dependents filing their own returns were limited to an AMT exemption of \$6,700 plus their “earned incomes.” The dependent’s AMT could be reduced if the parents had regular tax greater than the child’s own tentative minimum tax, or if any other dependent under age 18 and certain children under 24 of the same parents had regular tax greater than this dependent’s own tentative minimum tax.)

## Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2009. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes.<sup>21</sup> Returns were then selected at rates ranging from 0.10 percent to 100 percent. The 2009 data are based on a sample of 295,133 returns and an estimated final population of 140,599,266 returns.<sup>22</sup> The corresponding sample and population for the 2008 data were 328,630 returns and 142,580,866 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. Figure K shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the SOI Sampling Methodology and Data Limitations, later in this issue of the *SOI Bulletin*.

<sup>21</sup> Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

<sup>22</sup> This population includes an estimated 105,139 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling.

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## Figure K

### Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2009

[Coefficients of variation are percentages]

Size of adjusted gross income	Modified taxable income		Tax generated	Income tax after credits	Total income tax
	Number of returns	Amount			
	(1)	(2)	(3)	(4)	(5)
<b>Total</b>	<b>0.14</b>	<b>0.13</b>	<b>0.15</b>	<b>0.18</b>	<b>0.18</b>
Under \$2,000 [1]	7.34	8.71	11.17	6.97	6.97
\$2,000 under \$4,000	7.18	8.81	11.74	12.33	12.33
\$4,000 under \$6,000	5.65	10.38	13.52	13.57	13.57
\$6,000 under \$8,000	3.18	3.86	4.17	4.16	4.16
\$8,000 under \$10,000	2.86	3.70	4.03	4.28	4.28
\$10,000 under \$12,000	2.00	2.50	2.57	4.43	4.43
\$12,000 under \$14,000	1.93	2.12	2.18	4.10	4.10
\$14,000 under \$16,000	1.93	2.08	2.13	3.14	3.14
\$16,000 under \$18,000	1.80	1.99	2.05	2.69	2.69
\$18,000 under \$20,000	1.78	1.96	2.00	2.43	2.43
\$20,000 under \$25,000	1.05	1.20	1.24	1.56	1.56
\$25,000 under \$30,000	1.07	1.20	1.24	1.59	1.59
\$30,000 under \$40,000	0.78	0.86	0.89	1.09	1.09
\$40,000 under \$50,000	0.88	0.93	0.97	1.14	1.14
\$50,000 under \$75,000	0.53	0.57	0.61	0.73	0.73
\$75,000 under \$100,000	0.80	0.81	0.85	0.94	0.94
\$100,000 under \$200,000	0.53	0.54	0.56	0.59	0.59
\$200,000 under \$500,000	0.64	0.63	0.64	0.64	0.64
\$500,000 under \$1,000,000	1.13	1.05	1.06	1.06	1.06
\$1,000,000 under \$1,500,000	1.45	1.45	1.48	1.48	1.48
\$1,500,000 under \$2,000,000	1.04	1.06	1.09	1.10	1.10
\$2,000,000 under \$5,000,000	0.68	0.60	0.63	0.63	0.63
\$5,000,000 under \$10,000,000	0.79	0.70	0.74	0.74	0.74
\$10,000,000 or more	0.00	0.00	0.00	0.00	0.00

[1] Includes returns with adjusted gross deficit.

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**Table 1. Returns with Modified Taxable Income [1]: Tax Classified by Marginal Tax Rate [2] and by Filing Status, Tax Year 2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status and tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income less deficit	Modified taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All returns</b>									
<b>All tax rates</b>	<b>104,164,970</b>	<b>7,461,943,533</b>	<b>5,091,769,819</b>	<b>1,818,984,990</b>	<b>953,407,786</b>	<b>412,072,679</b>	<b>865,272,068</b>	<b>11.6</b>	<b>17.0</b>
0 percent (capital gains)	697,273	20,895,400	5,483,080	5,483,080	0	0	73,309	0.4	1.3
5 percent (prior year rate)	15,619	321,030	93,543	93,543	4,677	4,677	3,287	1.0	3.5
10 percent	26,836,661	604,551,129	152,959,513	145,800,461	14,591,211	14,580,046	4,242,568	0.7	2.8
10 percent (Form 8814) [3]	19,108	-429,655	15,557	15,557	1,565	1,565	7,549	[6]	48.5
15 percent	41,537,389	1,989,373,628	1,183,128,472	675,309,840	152,079,486	101,296,476	101,280,263	5.1	8.6
15 percent (capital gains) [4]	7,314,707	566,713,901	367,028,103	84,770,642	45,772,310	12,715,596	39,380,548	6.9	10.7
25 percent	21,534,962	2,116,426,836	1,568,261,541	286,223,686	265,213,509	71,555,922	242,646,266	11.5	15.5
25 percent (capital gains)	110,882	20,183,267	16,422,728	1,751,036	2,765,754	437,759	2,855,476	14.1	17.4
28 percent	3,714,412	685,010,301	545,834,436	46,365,294	115,128,765	12,982,282	117,549,740	17.2	21.5
28 percent (capital gains)	7,943	2,347,188	1,820,158	583,558	380,500	163,396	408,633	17.4	22.5
33 percent	1,420,839	467,551,823	387,601,030	84,881,737	95,205,412	28,010,973	100,958,703	21.6	26.0
35 percent	790,063	985,645,480	860,236,500	485,043,315	261,690,538	169,765,160	255,338,106	25.9	29.7
Form 8615 [5]	165,111	3,353,202	2,885,159	2,663,242	574,060	558,827	527,620	15.7	18.3
<b>Joint returns and returns of surviving spouses</b>									
<b>All tax rates</b>	<b>44,204,143</b>	<b>4,940,545,961</b>	<b>3,446,143,449</b>	<b>1,171,760,403</b>	<b>669,388,830</b>	<b>282,562,723</b>	<b>614,295,750</b>	<b>12.4</b>	<b>17.8</b>
0 percent (capital gains)	216,743	11,806,630	3,167,988	3,167,988	0	0	63,106	0.5	2.0
5 percent (prior year rate)	* 3,731	* 138,614	* 28,546	* 28,546	* 1,427	* 1,427	* 235	* 0.2	* 0.8
10 percent	7,844,690	277,674,798	68,470,202	63,671,915	6,370,678	6,367,192	1,743,530	0.6	2.5
10 percent (Form 8814) [3]	9,938	-466,624	8,509	8,509	855	855	6,979	[6]	82.0
15 percent	16,869,399	1,161,976,683	684,084,550	402,352,379	88,526,621	60,352,857	56,580,605	4.9	8.3
15 percent (capital gains) [4]	4,711,191	430,915,187	277,292,671	57,659,060	34,718,249	8,648,859	29,260,529	6.8	10.6
25 percent	10,530,785	1,366,177,803	996,786,568	153,019,813	166,955,078	38,254,953	150,756,887	11.0	15.1
25 percent (capital gains)	69,800	15,034,393	12,167,955	1,338,189	2,047,396	334,547	2,122,559	14.1	17.4
28 percent	2,167,488	472,387,785	371,170,043	24,570,721	76,839,827	6,879,802	78,943,904	16.7	21.3
28 percent (capital gains)	4,409	1,453,515	1,076,074	322,557	213,081	90,316	230,669	15.9	21.4
33 percent	1,110,995	381,170,662	314,305,981	66,766,987	76,327,953	22,033,106	81,454,736	21.4	25.9
35 percent	664,972	822,276,514	717,584,363	398,853,739	217,387,666	139,598,809	213,132,010	25.9	29.7
Form 8615 [5]	0	0	0	0	0	0	0	0.0	0.0
<b>Returns of married persons filing separately</b>									
<b>All tax rates</b>	<b>2,068,015</b>	<b>130,292,902</b>	<b>94,213,470</b>	<b>43,246,401</b>	<b>19,620,378</b>	<b>11,282,085</b>	<b>18,292,633</b>	<b>14.0</b>	<b>19.4</b>
0 percent (capital gains)	5,350	183,396	49,185	49,185	0	0	371	0.2	0.8
5 percent (prior year rate)	* 595	* 9,619	* 452	* 452	* 23	* 23	* [7]	[6]	[6]
10 percent	353,184	5,809,755	1,565,547	1,504,202	150,450	150,420	51,990	0.9	3.3
10 percent (Form 8814) [3]	1,054	-20,767	453	453	46	46	570	[3]	125.8
15 percent	954,135	32,074,719	19,024,246	11,057,221	2,455,310	1,658,583	1,843,640	5.7	9.7
15 percent (capital gains) [4]	97,657	8,097,977	5,700,777	3,292,585	740,768	493,888	758,507	9.4	13.3
25 percent	482,935	30,932,874	22,781,610	4,950,542	3,813,936	1,237,636	3,602,872	11.6	15.8
25 percent (capital gains)	2,757	410,191	350,591	27,140	58,883	6,785	61,710	15.0	17.6
28 percent	100,283	10,761,827	8,402,512	928,578	1,734,170	260,002	1,780,309	16.5	21.2
28 percent (capital gains)	* 6	* 54,787	* 44,822	* 21,932	* 9,572	* 6,141	* 11,722	* 21.4	* 26.2
33 percent	42,158	7,470,869	6,341,497	1,318,870	1,513,537	435,227	1,573,616	21.1	24.8
35 percent	27,901	34,507,657	29,951,777	20,095,241	9,143,684	7,033,334	8,607,325	24.9	28.7
Form 8615 [5]	0	0	0	0	0	0	0	0.0	0.0

Footnotes at end of table.

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**Table 1. Returns with Modified Taxable Income [1]: Tax Classified by Marginal Tax Rate [2] and by Filing Status, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status and tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income less deficit	Modified taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Returns of heads of households</b>									
<b>All tax rates</b>	<b>13,187,433</b>	<b>575,679,887</b>	<b>304,949,881</b>	<b>136,269,927</b>	<b>47,365,088</b>	<b>23,776,774</b>	<b>34,404,322</b>	<b>6.0</b>	<b>11.3</b>
0 percent (capital gains)	13,070	434,231	124,318	124,318	0	0	1,890	0.4	1.5
5 percent (prior year rate)	0	0	0	0	0	0	0	0.0	0.0
10 percent	5,840,681	144,037,271	32,545,857	32,372,669	3,238,865	3,237,267	173,007	0.1	0.5
10 percent (Form 8814) [3]	8,113	61,753	6,592	6,592		664	0	[6]	[6]
15 percent	5,584,079	242,987,124	132,392,439	65,656,635	16,522,230	9,848,495	8,084,857	3.3	6.1
15 percent (capital gains) [4]	276,391	16,720,489	10,161,798	2,051,941	1,262,547	307,791	941,834	5.6	9.3
25 percent	1,308,865	118,613,236	85,420,124	20,898,784	14,547,382	5,224,696	13,458,205	11.3	15.8
25 percent (capital gains)	6,134	719,328	582,834	54,619	100,229	13,655	97,500	13.6	16.7
28 percent	95,432	17,885,610	14,136,291	1,384,431	3,078,275	387,641	3,343,577	18.7	23.7
28 percent (capital gains)	* 3	* 16,805	* 2,129	* 1,959	* 572	* 549	* 4,383	* 26.1	* 205.9
33 percent	36,447	11,535,947	9,532,334	2,263,798	2,423,568	747,053	2,627,769	22.8	27.6
35 percent	18,218	22,668,095	20,045,166	11,454,181	6,190,758	4,008,963	5,671,300	25.0	28.3
Form 8615 [5]	0	0	0	0	0	0	0	0.0	0.0
<b>Returns of single persons</b>									
<b>All tax rates</b>	<b>44,705,378</b>	<b>1,815,424,782</b>	<b>1,246,463,019</b>	<b>467,708,258</b>	<b>217,033,490</b>	<b>94,451,100</b>	<b>198,279,364</b>	<b>10.9</b>	<b>15.9</b>
0 percent (capital gains)	462,110	8,471,144	2,141,588	2,141,588	0	0	7,942	0.1	0.4
5 percent (prior year rate)	11,293	172,798	64,544	64,544	3,227	3,227	3,052	1.8	4.7
10 percent	12,798,106	177,029,304	50,377,908	48,251,675	4,831,217	4,825,168	2,274,041	1.3	4.5
10 percent (Form 8814) [3]	* 3	* -4,017	* 4	* 4	* [7]	* [7]	* [7]	[6]	[6]
15 percent	18,129,776	552,335,102	347,627,237	196,243,604	44,575,325	29,436,541	34,771,161	6.3	10.0
15 percent (capital gains) [4]	2,229,467	110,980,248	73,872,856	21,767,055	9,050,748	3,265,058	8,419,679	7.6	11.4
25 percent	9,212,378	600,702,923	463,273,239	107,354,547	79,897,114	26,838,637	74,828,302	12.5	16.2
25 percent (capital gains)	32,190	4,019,355	3,321,347	331,087	559,246	82,772	573,708	14.3	17.3
28 percent	1,351,208	183,975,080	152,125,590	19,481,564	33,476,492	5,454,838	33,481,949	18.2	22.0
28 percent (capital gains)	3,525	822,081	697,134	237,110	157,275	66,391	161,859	19.7	23.2
33 percent	231,238	67,374,346	57,421,218	14,532,083	14,940,355	4,795,587	15,302,581	22.7	26.6
35 percent	78,972	106,193,215	92,655,194	54,640,154	28,968,431	19,124,054	27,927,470	26.3	30.1
Form 8615 [5]	165,111	3,353,202	2,885,159	2,663,242	574,060	558,827	527,620	15.7	18.3

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] For explanation of modified taxable income, see Income and Tax Concepts section of this article.

[2] For explanation of marginal tax rate, see Income and Tax Concepts section as well as footnote 4 of this article.

[3] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' tax return.

[4] The 15 percent capital gains rate also includes qualified dividends.

[5] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

[6] Percentage not computed.

[7] Less than \$500.

NOTE: Detail may not add to totals because of rounding.



# Individual Income Tax Rates and Shares, 2009

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated [2], by Rate and by Size of Adjusted Gross Income, Tax Year 2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate	
					0 percent (capital gains)	
					Number of returns	Income taxed at rate
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>104,164,970</b>	<b>5,088,382,848</b>	<b>5,091,769,819</b>	<b>953,407,786</b>	<b>10,419,886</b>	<b>41,056,482</b>
Under \$2,000	181,356	75,075	77,733	4,524	93,528	31,565
\$2,000 under \$4,000	190,888	230,239	230,715	19,831	75,531	54,125
\$4,000 under \$6,000	308,951	268,516	278,086	28,075	50,110	38,673
\$6,000 under \$8,000	963,247	1,336,270	1,341,903	135,492	65,546	22,714
\$8,000 under \$10,000	1,189,777	2,441,332	2,444,341	250,784	53,133	11,273
\$10,000 under \$12,000	2,382,086	5,186,297	5,185,635	515,072	137,298	67,220
\$12,000 under \$14,000	2,585,795	9,241,543	9,257,844	912,967	213,145	178,712
\$14,000 under \$16,000	2,577,008	13,218,905	13,234,727	1,302,551	224,212	342,026
\$16,000 under \$18,000	2,940,938	17,928,879	17,949,972	1,794,176	195,921	297,043
\$18,000 under \$20,000	3,033,397	22,253,926	22,277,907	2,321,501	194,958	323,746
\$20,000 under \$25,000	8,136,648	72,337,063	72,410,672	8,114,059	600,073	921,845
\$25,000 under \$30,000	7,850,131	96,902,694	97,042,104	11,367,853	705,997	1,113,790
\$30,000 under \$40,000	13,831,865	249,325,246	249,529,074	30,417,297	1,418,167	2,952,773
\$40,000 under \$50,000	10,614,939	275,258,806	275,440,359	35,370,888	1,270,258	3,133,709
\$50,000 under \$75,000	18,548,852	720,889,704	721,562,064	102,122,545	2,428,008	8,590,969
\$75,000 under \$100,000	11,423,685	669,533,805	670,059,124	99,114,419	1,888,211	8,445,075
\$100,000 under \$200,000	13,492,427	1,306,332,425	1,307,382,876	230,634,470	686,283	9,765,427
\$200,000 under \$500,000	3,186,977	718,620,471	719,705,758	167,171,797	86,816	3,140,053
\$500,000 under \$1,000,000	490,338	280,537,174	280,826,943	79,439,735	18,878	900,353
\$1,000,000 under \$1,500,000	107,529	111,652,589	111,663,222	33,239,025	5,474	274,486
\$1,500,000 under \$2,000,000	44,060	65,749,557	65,708,338	19,831,986	2,341	124,233
\$2,000,000 under \$5,000,000	61,602	158,702,289	158,544,959	48,168,647	3,877	205,550
\$5,000,000 under \$10,000,000	14,249	84,805,917	84,578,708	25,254,588	1,206	67,656
\$10,000,000 or more	8,225	205,554,127	205,036,755	55,875,503	917	53,466

  

Size of adjusted gross income	Tax generated at specified rate—continued					
	5 percent (prior year rate)			10 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b>	<b>70,321</b>	<b>468,615</b>	<b>23,421</b>	<b>103,285,579</b>	<b>1,110,280,331</b>	<b>111,028,033</b>
Under \$2,000	* 3,001	* 1,316	* 66	104,908	42,176	4,218
\$2,000 under \$4,000	* 997	* 168	* 8	145,791	138,226	13,823
\$4,000 under \$6,000	0	0	0	282,419	181,246	18,125
\$6,000 under \$8,000	* 999	* 6,783	* 339	955,624	1,266,345	126,635
\$8,000 under \$10,000	* 1,999	* 11,630	* 582	1,172,145	2,287,204	228,720
\$10,000 under \$12,000	* 3,011	* 3,374	* 169	2,336,722	5,071,405	507,141
\$12,000 under \$14,000	* 4,933	* 3,904	* 195	2,532,215	9,010,597	901,060
\$14,000 under \$16,000	* 1,300	* 3,642	* 182	2,521,883	12,618,120	1,261,812
\$16,000 under \$18,000	* 595	* 452	* 23	2,913,690	17,211,862	1,721,186
\$18,000 under \$20,000	* 999	* 9,914	* 496	3,010,629	19,441,139	1,944,114
\$20,000 under \$25,000	* 6,575	* 20,556	* 1,027	8,051,254	52,192,664	5,219,266
\$25,000 under \$30,000	* 4,988	* 14,710	* 735	7,804,909	60,465,663	6,046,566
\$30,000 under \$40,000	* 8,045	* 60,435	* 3,023	13,759,699	131,345,473	13,134,547
\$40,000 under \$50,000	10,223	92,900	4,646	10,565,435	120,476,397	12,047,640
\$50,000 under \$75,000	12,102	100,003	4,988	18,477,092	242,850,511	24,285,051
\$75,000 under \$100,000	7,079	70,719	3,537	11,379,098	167,760,607	16,776,061
\$100,000 under \$200,000	2,508	18,648	933	13,420,232	207,578,837	20,757,884
\$200,000 under \$500,000	724	37,479	1,874	3,149,368	49,424,622	4,942,462
\$500,000 under \$1,000,000	* 137	* 6,835	* 342	478,198	7,462,087	746,209
\$1,000,000 under \$1,500,000	* 38	* 2,069	* 103	103,388	1,599,813	159,981
\$1,500,000 under \$2,000,000	* 6	* 394	* 20	42,127	650,527	65,053
\$2,000,000 under \$5,000,000	40	1,525	76	58,282	894,056	89,406
\$5,000,000 under \$10,000,000	* 10	* 616	* 31	13,147	200,357	20,036
\$10,000,000 or more	* 9	* 541	* 27	7,324	110,396	11,040

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated [2], by Rate and by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued					
	10 percent (from Form 8814) [3]			15 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b>	<b>108,342</b>	<b>80,673</b>	<b>8,107</b>	<b>76,240,965</b>	<b>1,919,450,700</b>	<b>287,917,605</b>
Under \$2,000	** 2,914	** 2,444	** 245	0	0	0
\$2,000 under \$4,000	**	**	**	0	0	0
\$4,000 under \$6,000	* 999	* 465	* 47	* 1,004	* 896	* 134
\$6,000 under \$8,000	* 999	* 355	* 36	* 1,023	* 1,010	* 152
\$8,000 under \$10,000	* 3,018	* 2,733	* 276	0	0	0
\$10,000 under \$12,000	* 1,037	* 392	* 40	* 3,007	* 3,057	* 459
\$12,000 under \$14,000	* 1,000	* 711	* 72	9,965	13,783	2,067
\$14,000 under \$16,000	* 2,240	* 1,106	* 112	186,690	218,691	32,804
\$16,000 under \$18,000	* 1,004	* 1,069	* 108	378,811	373,605	56,041
\$18,000 under \$20,000	* 998	* 947	* 95	1,777,704	2,473,220	370,983
\$20,000 under \$25,000	* 2,997	* 4,173	* 418	4,363,765	19,167,745	2,875,162
\$25,000 under \$30,000	* 2,050	* 1,327	* 133	4,406,276	35,355,002	5,303,250
\$30,000 under \$40,000	14,050	9,194	926	9,537,205	115,007,068	17,251,060
\$40,000 under \$50,000	7,161	6,126	616	9,236,868	145,896,890	21,884,534
\$50,000 under \$75,000	15,174	8,678	876	17,849,420	393,436,294	59,015,444
\$75,000 under \$100,000	16,706	13,472	1,352	11,283,040	407,154,171	61,073,126
\$100,000 under \$200,000	19,228	13,430	1,348	13,368,325	617,021,129	92,553,169
\$200,000 under \$500,000	11,350	8,584	860	3,137,586	150,146,938	22,522,041
\$500,000 under \$1,000,000	3,133	3,017	302	476,603	22,665,051	3,399,758
\$1,000,000 under \$1,500,000	1,007	1,059	106	103,117	4,867,373	730,106
\$1,500,000 under \$2,000,000	371	332	33	42,027	1,979,567	296,935
\$2,000,000 under \$5,000,000	631	754	75	58,115	2,721,854	408,278
\$5,000,000 under \$10,000,000	165	171	17	13,107	610,443	91,566
\$10,000,000 or more	110	135	14	7,308	336,913	50,537

  

Size of adjusted gross income	Tax generated at specified rate—continued					
	15 percent (capital gains) [4]			25 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(19)	(20)	(21)	(22)	(23)	(24)
<b>Total</b>	<b>10,434,237</b>	<b>242,309,836</b>	<b>36,346,749</b>	<b>27,552,302</b>	<b>807,873,171</b>	<b>201,968,293</b>
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	* 1,946	* 969	* 242
\$30,000 under \$40,000	0	0	0	9,960	46,052	11,513
\$40,000 under \$50,000	264,636	247,207	37,094	1,878,988	5,513,796	1,378,449
\$50,000 under \$75,000	1,359,936	3,211,732	481,809	5,896,318	73,279,314	18,319,829
\$75,000 under \$100,000	1,212,060	3,867,643	580,174	4,037,425	81,571,001	20,392,750
\$100,000 under \$200,000	4,939,130	24,280,260	3,642,163	11,950,611	399,561,170	99,890,293
\$200,000 under \$500,000	2,070,848	35,724,110	5,358,664	3,087,298	202,477,848	50,619,462
\$500,000 under \$1,000,000	385,112	25,800,747	3,870,120	469,294	30,985,426	7,746,357
\$1,000,000 under \$1,500,000	90,112	14,252,905	2,137,938	101,416	6,652,723	1,663,181
\$1,500,000 under \$2,000,000	37,767	9,649,376	1,447,407	41,516	2,724,971	681,243
\$2,000,000 under \$5,000,000	54,149	27,836,311	4,175,448	57,345	3,748,709	937,177
\$5,000,000 under \$10,000,000	12,827	19,533,997	2,930,100	12,938	842,653	210,663
\$10,000,000 or more	7,661	77,905,548	11,685,832	7,248	468,538	117,135

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated [2], by Rate and by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued					
	25 percent (capital gains)			28 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total</b>	<b>175,334</b>	<b>3,110,508</b>	<b>777,647</b>	<b>5,928,152</b>	<b>262,890,351</b>	<b>73,609,298</b>
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0	0
\$40,000 under \$50,000	* 1,996	* 9	* 2	0	0	0
\$50,000 under \$75,000	15,964	37,941	9,485	* 2,252	* 5,966	* 1,670
\$75,000 under \$100,000	11,100	21,036	5,261	169,705	699,499	195,860
\$100,000 under \$200,000	74,011	460,447	115,121	2,174,982	47,412,023	13,275,366
\$200,000 under \$500,000	51,761	984,983	246,252	2,903,268	165,620,933	46,373,861
\$500,000 under \$1,000,000	11,906	535,450	133,864	460,723	33,421,801	9,358,104
\$1,000,000 under \$1,500,000	3,221	213,809	53,453	99,604	7,221,410	2,021,995
\$1,500,000 under \$2,000,000	1,470	151,538	37,885	40,908	2,959,537	828,670
\$2,000,000 under \$5,000,000	2,525	341,478	85,370	56,658	4,101,377	1,148,386
\$5,000,000 under \$10,000,000	788	191,394	47,849	12,845	929,942	260,384
\$10,000,000 or more	593	172,423	43,106	7,208	517,863	145,002

  

Size of adjusted gross income	Tax generated at specified rate—continued					
	28 percent (capital gains)			33 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(31)	(32)	(33)	(34)	(35)	(36)
<b>Total</b>	<b>10,758</b>	<b>1,015,444</b>	<b>284,325</b>	<b>2,210,902</b>	<b>215,527,152</b>	<b>71,123,960</b>
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0	0
\$40,000 under \$50,000	0	0	0	0	0	0
\$50,000 under \$75,000	0	0	0	0	0	0
\$75,000 under \$100,000	* 1,024	* 60	* 17	* 1,890	* 20,023	* 6,608
\$100,000 under \$200,000	4,366	3,804	1,065	48,269	1,038,704	342,772
\$200,000 under \$500,000	3,582	165,698	46,395	1,493,240	105,357,586	34,768,003
\$500,000 under \$1,000,000	896	56,064	15,698	453,248	73,851,669	24,371,051
\$1,000,000 under \$1,500,000	235	43,687	12,232	98,054	16,165,279	5,334,542
\$1,500,000 under \$2,000,000	133	72,370	20,264	40,246	6,615,924	2,183,255
\$2,000,000 under \$5,000,000	315	234,166	65,566	56,043	9,208,224	3,038,714
\$5,000,000 under \$10,000,000	117	199,072	55,740	12,744	2,095,695	691,579
\$10,000,000 or more	90	240,523	67,346	7,168	1,174,048	387,436

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated [2], by Rate and by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued					
	35 percent			Form 8615 [5]		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(37)	(38)	(39)	(40)	(41)	(42)
<b>Total</b>	<b>790,063</b>	<b>485,043,315</b>	<b>169,765,160</b>	<b>165,111</b>	<b>2,663,242</b>	<b>558,827</b>
Under \$2,000	0	0	0	2,882	234	39
\$2,000 under \$4,000	0	0	0	43,224	38,193	7,855
\$4,000 under \$6,000	0	0	0	26,962	56,806	11,296
\$6,000 under \$8,000	0	0	0	16,383	44,697	8,967
\$8,000 under \$10,000	0	0	0	23,831	131,501	22,232
\$10,000 under \$12,000	0	0	0	7,023	40,186	7,483
\$12,000 under \$14,000	0	0	0	6,937	50,137	9,674
\$14,000 under \$16,000	0	0	0	5,221	51,141	8,005
\$16,000 under \$18,000	0	0	0	4,949	65,941	16,763
\$18,000 under \$20,000	0	0	0	2,003	28,941	5,690
\$20,000 under \$25,000	0	0	0	* 5,615	* 103,688	* 18,225
\$25,000 under \$30,000	0	0	0	* 5,251	* 90,643	* 16,787
\$30,000 under \$40,000	0	0	0	* 3,713	* 108,080	* 15,775
\$40,000 under \$50,000	0	0	0	* 1,995	* 73,324	* 17,492
\$50,000 under \$75,000	0	0	0	* 1,089	* 40,656	* 2,903
\$75,000 under \$100,000	0	0	0	* 5,026	* 435,817	* 79,831
\$100,000 under \$200,000	715	2,660	931	* 1,895	* 226,338	* 52,758
\$200,000 under \$500,000	155,402	6,343,845	2,220,346	893	273,078	71,629
\$500,000 under \$1,000,000	424,970	85,085,744	29,780,010	* 80	* 52,699	* 17,893
\$1,000,000 under \$1,500,000	95,356	60,346,521	21,121,282	* 21	* 22,090	* 4,100
\$1,500,000 under \$2,000,000	39,208	40,722,929	14,253,025	* 36	* 56,638	* 18,195
\$2,000,000 under \$5,000,000	54,800	109,095,966	38,183,588	50	154,989	36,561
\$5,000,000 under \$10,000,000	12,529	59,776,343	20,921,720	18	130,369	24,903
\$10,000,000 or more	7,082	123,669,307	43,284,257	14	387,054	83,772

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

\*\*Data combined to avoid disclosure of information for specific taxpayers.

[1] For definition of modified taxable income, see Income and Tax Concepts section of this article.

[2] For definition of tax generated, see the Explanation of Selected Terms section of this article.

[3] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parent's tax return.

[4] The 15 percent capital gains rate also includes qualified dividends. □

[5] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

# Individual Income Tax Rates and Shares, 2009

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**Table 3. Returns with Modified Taxable Income [1]: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate class	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately
	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All tax rates</b>	<b>104,164,970</b>	<b>5,091,769,819</b>	<b>953,411,142</b>	<b>44,204,143</b>	<b>3,446,143,449</b>	<b>669,387,073</b>	<b>2,068,015</b>
0 percent (capital gains)	10,419,886	41,056,482	0	6,149,119	27,850,216	0	125,170
5 percent (prior year rate)	70,321	468,615	23,431	26,106	204,467	10,223	632
10 percent	103,285,579	1,110,280,331	111,028,033	43,912,895	665,781,428	66,578,143	2,053,676
10 percent (Form 8814) [2]	108,342	80,673	8,107	80,797	60,164	6,045	2,116
15 percent	76,240,965	1,919,450,700	287,917,605	36,038,215	1,269,358,078	190,403,712	1,697,580
15 percent (capital gains) [3]	10,434,237	242,309,836	36,346,475	6,886,842	179,721,768	26,958,265	161,287
25 percent	27,552,302	807,873,171	201,968,293	14,531,468	536,554,889	134,138,722	655,725
25 percent (capital gains)	175,334	3,110,508	777,627	120,778	2,457,683	614,421	4,154
28 percent	5,928,152	262,890,351	73,609,298	3,944,319	188,751,601	52,850,448	170,342
28 percent (capital gains)	10,758	1,015,444	284,324	6,753	660,448	184,925	29
33 percent	2,210,902	215,527,152	71,123,960	1,775,968	175,888,968	58,043,359	70,059
35 percent	790,063	485,043,315	169,765,160	664,972	398,853,739	139,598,809	27,901
Form 8615 [4]	165,111	2,663,242	558,827	0	0	0	0

  

Tax rate class	Returns of married persons filing separately—continued		Returns of heads of households			Returns of single persons		
	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>All tax rates</b>	<b>94,213,470</b>	<b>19,620,272</b>	<b>13,187,433</b>	<b>304,949,881</b>	<b>47,364,547</b>	<b>44,705,378</b>	<b>1,246,463,019</b>	<b>217,039,251</b>
0 percent (capital gains)	626,016	0	387,112	919,234	0	3,758,485	11,661,015	0
5 percent (prior year rate)	1,388	69	10,737	43,796	2,190	32,847	218,963	10,948
10 percent	15,688,291	1,568,829	13,162,412	119,863,859	11,986,386	44,156,596	308,946,753	30,894,675
10 percent (Form 8814) [2]	2,397	240	23,068	16,492	1,660	2,361	1,620	163
15 percent	29,004,482	4,350,672	7,320,912	118,999,272	17,849,891	31,184,257	502,088,868	75,313,330
15 percent (capital gains) [3]	9,359,884	1,403,983	277,037	5,403,741	810,561	3,109,071	47,824,442	7,173,666
25 percent	11,919,952	2,979,988	1,462,970	36,073,250	9,018,313	10,902,140	223,325,079	55,831,270
25 percent (capital gains)	55,992	13,998	6,869	78,851	19,713	43,533	517,983	129,496
28 percent	3,814,580	1,068,082	150,097	6,501,792	1,820,502	1,663,394	63,822,378	17,870,266
28 percent (capital gains)	37,127	10,396	* 5	* 2,342	* 656	3,972	315,526	88,347
33 percent	3,608,120	1,190,680	54,665	5,593,069	1,845,713	310,210	30,436,995	10,044,208
35 percent	20,095,241	7,033,334	18,218	11,454,181	4,008,963	78,972	54,640,154	19,124,054
Form 8615 [4]	0	0	0	0	0	165,111	2,663,242	558,827

\* Estimate should be used with caution because of the small number of returns on which it is based.

[1] For explanation of modified taxable income, see Income and Tax Concepts section of this article.

[2] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' tax return.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

NOTE: Detail may not add to totals because of rounding.

# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated		Tax differences due to alternative computations
				Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns with regular tax computation only [2]</b>								
<b>Total</b>	<b>83,875,376</b>	<b>4,561,681,833</b>	<b>2,842,200,452</b>	<b>83,875,376</b>	<b>469,655,924</b>	<b>83,875,376</b>	<b>470,159,305</b>	<b>0</b>
Under \$5,000	189,311	449,400	151,326	189,311	14,622	189,311	15,181	0
\$5,000 under \$10,000	2,179,014	17,470,028	3,412,145	2,179,014	341,012	2,179,014	342,057	0
\$10,000 under \$15,000	5,739,474	71,914,813	19,066,849	5,739,474	1,914,521	5,739,474	1,916,831	0
\$15,000 under \$20,000	6,772,175	119,069,785	43,859,822	6,772,175	4,533,383	6,772,175	4,538,174	0
\$20,000 under \$25,000	7,521,387	169,286,414	67,228,677	7,521,387	7,644,538	7,521,387	7,649,929	0
\$25,000 under \$30,000	7,133,894	196,276,189	88,542,647	7,133,894	10,516,452	7,133,894	10,531,777	0
\$30,000 under \$40,000	12,398,912	431,121,852	223,889,836	12,398,912	27,676,004	12,398,912	27,700,352	0
\$40,000 under \$50,000	9,140,885	408,863,085	237,337,491	9,140,885	30,936,165	9,140,885	30,949,837	0
\$50,000 under \$75,000	14,924,391	915,004,142	574,999,328	14,924,391	82,399,199	14,924,391	82,490,859	0
\$75,000 under \$100,000	8,479,217	730,641,798	491,570,427	8,479,217	73,759,452	8,479,217	73,852,709	0
\$100,000 under \$200,000	8,157,021	1,058,625,387	757,694,388	8,157,021	134,421,037	8,157,021	134,622,919	0
\$200,000 under \$500,000	1,102,956	300,676,969	229,224,614	1,102,956	56,102,463	1,102,956	56,401,418	0
\$500,000 under \$1,000,000	104,071	68,563,417	53,191,891	104,071	17,513,476	104,071	17,599,465	0
\$1,000,000 under \$1,500,000	17,183	20,593,548	15,419,403	17,183	5,839,096	17,183	5,838,991	0
\$1,500,000 under \$2,000,000	6,225	10,712,205	7,913,797	6,225	3,133,233	6,225	3,117,187	0
\$2,000,000 under \$5,000,000	7,325	21,542,074	15,484,627	7,325	6,448,114	7,325	6,390,263	0
\$5,000,000 under \$10,000,000	1,393	9,277,092	6,205,738	1,393	2,838,065	1,393	2,757,808	0
\$10,000,000 or more	542	11,593,635	7,007,445	542	3,625,093	542	3,443,549	0
<b>Returns with Form 8615 tax computation [3]</b>								
<b>Total</b>	<b>165,111</b>	<b>3,353,202</b>	<b>2,885,159</b>	<b>165,111</b>	<b>633,142</b>	<b>165,111</b>	<b>574,060</b>	<b>-59,082</b>
Under \$5,000	62,070	201,587	140,815	62,070	14,092	62,070	19,720	5,628
\$5,000 under \$10,000	51,212	378,741	255,786	51,212	25,678	51,212	37,975	12,297
\$10,000 under \$15,000	14,960	180,119	128,436	14,960	13,713	14,960	21,286	7,573
\$15,000 under \$20,000	11,174	184,416	154,191	11,174	18,491	11,174	29,691	11,200
\$20,000 under \$25,000	* 5,615	* 120,177	* 109,909	* 5,615	* 14,146	* 5,615	* 18,533	* 4,387
\$25,000 under \$30,000	* 5,251	* 141,179	* 119,917	* 5,251	* 15,797	* 5,251	* 20,155	* 4,358
\$30,000 under \$40,000	* 3,713	* 122,105	* 110,001	* 3,713	* 14,945	* 3,713	* 15,775	* 830
\$40,000 under \$50,000	* 1,995	* 94,726	* 81,239	* 1,995	* 12,704	* 1,995	* 18,283	* 5,579
\$50,000 under \$75,000	* 1,089	* 59,306	* 40,656	* 1,089	* 6,162	* 1,089	* 2,903	* -3,259
\$75,000 under \$100,000	* 5,026	* 449,336	* 439,575	* 5,026	* 91,665	* 5,026	* 79,927	* -11,738
\$100,000 under \$200,000	* 1,895	* 268,543	* 226,338	* 1,895	* 51,698	* 1,895	* 52,758	* 1,061
\$200,000 under \$500,000	893	298,666	274,404	893	77,585	893	71,629	-5,955
\$500,000 under \$1,000,000	* 80	* 57,404	* 52,699	* 80	* 16,649	* 80	* 17,893	* 1,245
\$1,000,000 under \$1,500,000	* 21	* 25,347	* 22,094	* 21	* 7,274	* 21	* 4,100	* -3,173
\$1,500,000 under \$2,000,000	* 36	* 63,679	* 56,638	* 36	* 19,019	* 36	* 18,195	* -824
\$2,000,000 under \$5,000,000	50	160,477	155,016	50	53,144	50	36,562	-16,581
\$5,000,000 under \$10,000,000	18	133,075	130,381	18	45,224	18	24,903	-20,321
\$10,000,000 or more	14	414,321	387,063	14	135,159	14	83,773	-51,387

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated		Tax differences due to alternative computations
				Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Returns with Schedule D tax computation</b>								
<b>Total</b>	<b>20,107,370</b>	<b>2,897,363,835</b>	<b>2,232,793,249</b>	<b>20,088,569</b>	<b>531,555,035</b>	<b>19,408,102</b>	<b>482,677,168</b>	<b>-48,877,867</b>
Under \$5,000	191,041	448,333	139,635	180,721	13,741	63,853	3,639	-10,102
\$5,000 under \$10,000	154,801	1,166,171	265,682	151,825	26,470	125,498	19,756	-6,714
\$10,000 under \$15,000	472,991	6,070,307	1,332,461	471,999	133,840	347,782	92,600	-41,240
\$15,000 under \$20,000	503,382	8,782,764	3,292,014	502,378	335,355	434,678	250,627	-84,729
\$20,000 under \$25,000	607,642	13,774,305	4,968,793	605,643	558,809	525,275	446,473	-112,336
\$25,000 under \$30,000	710,985	19,522,338	8,136,354	710,780	956,076	668,688	817,516	-138,560
\$30,000 under \$40,000	1,426,215	50,009,423	25,170,304	1,425,913	3,079,074	1,358,765	2,703,008	-376,066
\$40,000 under \$50,000	1,471,946	66,132,115	37,806,618	1,470,950	4,862,862	1,427,174	4,403,269	-459,593
\$50,000 under \$75,000	3,623,359	225,408,288	145,516,168	3,623,357	21,177,528	3,567,397	19,627,982	-1,549,547
\$75,000 under \$100,000	2,939,440	255,824,547	176,824,019	2,939,440	26,809,851	2,910,970	25,181,126	-1,628,725
\$100,000 under \$200,000	5,333,464	738,603,981	547,253,083	5,333,463	99,980,004	5,309,838	95,955,661	-4,024,343
\$200,000 under \$500,000	2,083,076	601,928,469	484,588,645	2,083,072	116,432,164	2,079,470	110,698,718	-5,733,446
\$500,000 under \$1,000,000	386,186	261,902,800	224,248,291	386,186	66,713,823	385,958	61,822,377	-4,891,446
\$1,000,000 under \$1,500,000	90,324	108,824,687	94,826,314	90,324	30,189,234	90,278	27,395,933	-2,793,301
\$1,500,000 under \$2,000,000	37,791	64,998,662	57,060,598	37,791	18,615,417	37,787	16,696,604	-1,918,813
\$2,000,000 under \$5,000,000	54,223	160,303,440	142,108,969	54,223	47,314,666	54,191	41,741,821	-5,572,845
\$5,000,000 under \$10,000,000	12,835	87,573,374	78,187,607	12,835	26,400,310	12,832	22,471,877	-3,928,433
\$10,000,000 or more	7,669	226,089,832	201,067,695	7,669	67,955,812	7,667	52,348,182	-15,607,631

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Taxes from special computation		Alternative minimum tax		Income tax before credits		Total tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Returns with regular tax computation only [2]</b>								
<b>Total</b>	<b>* 4,010</b>	<b>* 22,882</b>	<b>1,404,321</b>	<b>5,019,946</b>	<b>83,875,376</b>	<b>475,202,133</b>	<b>72,447,225</b>	<b>85,468,762</b>
Under \$5,000	0	0	**	**	189,311	15,326	7,070	371
\$5,000 under \$10,000	0	0	0	0	2,179,014	342,057	448,047	18,296
\$10,000 under \$15,000	* 2,007	* 311	** 3,003	** 981	5,739,474	1,917,978	4,252,039	1,148,543
\$15,000 under \$20,000	0	0	* 1,999	* 1,105	6,772,175	4,539,280	5,714,514	2,213,348
\$20,000 under \$25,000	0	0	* 1,019	* 972	7,521,387	7,650,901	6,740,464	3,321,787
\$25,000 under \$30,000	0	0	* 142	* 76	7,133,894	10,531,853	6,458,128	4,323,375
\$30,000 under \$40,000	* 6	* 1	* 1,136	* 2,794	12,398,912	27,703,147	11,421,472	9,675,749
\$40,000 under \$50,000	0	0	* 1,002	* 880	9,140,885	30,950,717	8,461,137	9,039,704
\$50,000 under \$75,000	* 1,996	* 22,569	59,344	45,432	14,924,391	82,558,861	13,978,805	20,869,584
\$75,000 under \$100,000	0	0	69,827	84,503	8,479,217	73,937,211	7,838,771	15,096,341
\$100,000 under \$200,000	0	0	466,821	911,742	8,157,021	135,534,661	6,738,675	13,368,336
\$200,000 under \$500,000	0	0	746,676	3,407,162	1,102,956	59,808,580	333,092	2,199,206
\$500,000 under \$1,000,000	0	0	50,651	458,969	104,071	18,058,434	39,972	1,324,465
\$1,000,000 under \$1,500,000	0	0	1,713	42,706	17,183	5,881,697	7,603	601,918
\$1,500,000 under \$2,000,000	0	0	416	17,975	6,225	3,135,162	2,934	388,116
\$2,000,000 under \$5,000,000	0	0	457	18,929	7,325	6,409,192	3,428	803,706
\$5,000,000 under \$10,000,000	0	0	80	11,937	1,393	2,769,745	754	407,281
\$10,000,000 or more	0	0	36	13,784	542	3,457,332	320	668,636
<b>Returns with Form 8615 tax computation [3]</b>								
<b>Total</b>	<b>0</b>	<b>0</b>	<b>5,697</b>	<b>11,663</b>	<b>165,111</b>	<b>585,723</b>	<b>40,684</b>	<b>58,103</b>
Under \$5,000	0	0	0	0	62,070	19,720	9,077	485
\$5,000 under \$10,000	0	0	0	0	51,212	37,975	13,310	2,287
\$10,000 under \$15,000	0	0	0	0	14,960	21,286	* 2,948	* 185
\$15,000 under \$20,000	0	0	* 1,999	* 683	11,174	30,373	* 4,174	* 260
\$20,000 under \$25,000	0	0	* 1,999	* 1,771	* 5,615	* 20,304	* 1,618	* 49
\$25,000 under \$30,000	0	0	* 96	* 5	* 5,251	* 20,159	* 2,248	* 346
\$30,000 under \$40,000	0	0	* 1,096	* 3,283	* 3,713	* 19,058	* 1,714	* 520
\$40,000 under \$50,000	0	0	0	0	* 1,995	* 18,283	* 1,995	* 497
\$50,000 under \$75,000	0	0	* 96	* 496	* 1,089	* 3,398	* 96	* 47
\$75,000 under \$100,000	0	0	0	0	* 5,026	* 79,927	* 2,043	* 1,731
\$100,000 under \$200,000	0	0	* 301	* 3,225	* 1,895	* 55,984	* 602	* 8
\$200,000 under \$500,000	0	0	* 83	* 1,184	893	72,813	678	1,494
\$500,000 under \$1,000,000	0	0	0	0	* 80	* 17,893	* 80	* 29
\$1,000,000 under \$1,500,000	0	0	* 8	* 258	* 21	* 4,359	* 21	* 1,125
\$1,500,000 under \$2,000,000	0	0	* 3	* 209	* 36	* 18,404	* 36	* 1,980
\$2,000,000 under \$5,000,000	0	0	* 8	* 78	50	36,641	* 21	* 126
\$5,000,000 under \$10,000,000	0	0	* 4	* 242	18	25,145	14	281
\$10,000,000 or more	0	0	* 4	* 229	14	84,001	* 9	* 46,652

Footnotes at end of table.



# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Taxes from special computation		Alternative minimum tax		Income tax before credits		Total tax credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
<b>Returns with Schedule D tax computation</b>								
<b>Total</b>	<b>5,625</b>	<b>8,912</b>	<b>2,388,690</b>	<b>16,815,062</b>	<b>19,412,486</b>	<b>499,501,142</b>	<b>14,977,505</b>	<b>24,497,615</b>
Under \$5,000	0	0	0	0	63,853	3,639	8,828	210
\$5,000 under \$10,000	0	0	0	0	125,498	19,756	29,759	525
\$10,000 under \$15,000	0	0	* 1,999	* 538	347,782	93,138	187,771	36,693
\$15,000 under \$20,000	0	0	* 999	* 587	434,678	251,213	262,149	91,622
\$20,000 under \$25,000	0	0	0	0	525,275	446,473	342,086	127,625
\$25,000 under \$30,000	0	0	* 2,036	* 3,332	668,688	820,848	460,539	223,485
\$30,000 under \$40,000	0	0	* 18	* 103	1,358,774	2,703,111	1,014,454	605,493
\$40,000 under \$50,000	* 1,990	* 536	* 1,609	* 1,412	1,427,205	4,405,218	1,145,987	934,765
\$50,000 under \$75,000	* 993	* 10	10,483	11,585	3,567,548	19,639,577	2,910,268	3,378,241
\$75,000 under \$100,000	* 1,997	* 6,978	24,080	41,779	2,911,057	25,229,882	2,493,147	3,670,436
\$100,000 under \$200,000	* 341	* 62	423,505	942,243	5,311,918	96,897,966	4,477,612	6,877,142
\$200,000 under \$500,000	** 303	** 1,326	1,635,305	9,801,126	2,081,289	120,501,112	1,221,305	1,992,864
\$500,000 under \$1,000,000	0	0	240,114	3,082,388	386,106	64,904,765	267,037	1,312,051
\$1,000,000 under \$1,500,000	0	0	23,839	631,444	90,310	28,027,377	68,128	607,896
\$1,500,000 under \$2,000,000	0	0	8,892	340,357	37,788	17,036,961	28,891	450,531
\$2,000,000 under \$5,000,000	0	0	11,226	714,895	54,214	42,456,716	42,485	1,220,145
\$5,000,000 under \$10,000,000	0	0	2,763	370,576	12,834	22,842,453	10,477	654,524
\$10,000,000 or more	**	**	1,822	872,698	7,669	53,220,938	6,579	2,313,366

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax after credits		Total income tax				
	Number of returns	Amount	Number of returns	Amount	As a percentage of		Average income tax (dollars)
					Modified taxable income	Adjusted gross income	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>Returns with regular tax computation only [2]</b>							
<b>Total</b>	<b>63,630,820</b>	<b>389,733,371</b>	<b>63,630,820</b>	<b>389,733,371</b>	<b>13.7</b>	<b>8.5</b>	<b>4,647</b>
Under \$5,000	184,174	14,955	184,174	14,955	9.9	3.3	79
\$5,000 under \$10,000	1,736,915	323,760	1,736,915	323,760	9.5	1.9	149
\$10,000 under \$15,000	2,640,798	769,435	2,640,798	769,435	4.0	1.1	134
\$15,000 under \$20,000	4,512,836	2,325,931	4,512,836	2,325,931	5.3	2.0	343
\$20,000 under \$25,000	4,219,404	4,329,114	4,219,404	4,329,114	6.4	2.6	576
\$25,000 under \$30,000	4,081,680	6,208,478	4,081,680	6,208,478	7.0	3.2	870
\$30,000 under \$40,000	8,446,878	18,027,398	8,446,878	18,027,398	8.1	4.2	1,454
\$40,000 under \$50,000	7,161,716	21,911,013	7,161,716	21,911,013	9.2	5.4	2,397
\$50,000 under \$75,000	13,171,645	61,689,278	13,171,645	61,689,278	10.7	6.7	4,133
\$75,000 under \$100,000	8,144,783	58,840,870	8,144,783	58,840,870	12.0	8.1	6,939
\$100,000 under \$200,000	8,096,375	122,166,325	8,096,375	122,166,325	16.1	11.5	14,977
\$200,000 under \$500,000	1,098,337	57,609,374	1,098,337	57,609,374	25.1	19.2	52,232
\$500,000 under \$1,000,000	103,129	16,733,969	103,129	16,733,969	31.5	24.4	160,794
\$1,000,000 under \$1,500,000	16,959	5,279,779	16,959	5,279,779	34.2	25.6	307,268
\$1,500,000 under \$2,000,000	6,111	2,747,045	6,111	2,747,045	34.7	25.6	441,292
\$2,000,000 under \$5,000,000	7,187	5,605,486	7,187	5,605,486	36.2	26.0	765,254
\$5,000,000 under \$10,000,000	1,367	2,362,464	1,367	2,362,464	38.1	25.5	1,695,954
\$10,000,000 or more	526	2,788,696	526	2,788,696	39.8	24.1	5,145,196
<b>Returns with Form 8615 tax computation [3]</b>							
<b>Total</b>	<b>162,987</b>	<b>527,620</b>	<b>162,987</b>	<b>527,620</b>	<b>18.3</b>	<b>15.7</b>	<b>3,196</b>
Under \$5,000	60,327	19,234	60,327	19,234	13.7	9.5	310
\$5,000 under \$10,000	50,844	35,688	50,844	35,688	14.0	9.4	697
\$10,000 under \$15,000	14,960	21,101	14,960	21,101	16.4	11.7	1,410
\$15,000 under \$20,000	11,174	30,113	11,174	30,113	19.5	16.3	2,695
\$20,000 under \$25,000	* 5,615	* 20,254	* 5,615	* 20,254	* 18.4	* 16.9	* 3,607
\$25,000 under \$30,000	* 5,251	* 19,813	* 5,251	* 19,813	* 16.5	* 14.0	* 3,773
\$30,000 under \$40,000	* 3,713	* 18,538	* 3,713	* 18,538	* 16.9	* 15.2	* 4,993
\$40,000 under \$50,000	* 1,995	* 17,786	* 1,995	* 17,786	* 21.9	* 18.8	* 8,915
\$50,000 under \$75,000	* 1,089	* 3,351	* 1,089	* 3,351	* 8.2	* 5.7	* 3,077
\$75,000 under \$100,000	* 5,026	* 78,196	* 5,026	* 78,196	* 17.8	* 17.4	* 15,558
\$100,000 under \$200,000	* 1,895	* 55,975	* 1,895	* 55,975	* 24.7	* 20.8	* 29,538
\$200,000 under \$500,000	884	71,319	884	71,319	26.0	23.9	79,865
\$500,000 under \$1,000,000	* 80	* 17,864	* 80	* 17,864	* 33.9	* 31.1	* 223,300
\$1,000,000 under \$1,500,000	* 17	* 3,234	* 17	* 3,234	* 14.6	* 12.8	* 154,000
\$1,500,000 under \$2,000,000	* 36	* 16,423	* 36	* 16,423	* 29.0	* 25.8	* 456,194
\$2,000,000 under \$5,000,000	50	36,515	50	36,515	23.6	22.8	730,300
\$5,000,000 under \$10,000,000	18	24,865	18	24,865	19.1	18.7	1,381,389
\$10,000,000 or more	14	37,349	14	37,349	9.6	9.0	2,667,786

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2009—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax after credits		Total income tax				
	Number of returns	Amount	Number of returns	Amount	As a percentage of		Average income tax (dollars)
					Modified taxable income	Adjusted gross income	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>Returns with Schedule D tax computation</b>							
<b>Total</b>	<b>18,071,231</b>	<b>475,003,528</b>	<b>18,071,231</b>	<b>475,003,951</b>	<b>21.3</b>	<b>16.4</b>	<b>23,623</b>
Under \$5,000	61,367	3,429	61,367	3,429	2.5	0.8	18
\$5,000 under \$10,000	111,496	19,231	111,496	19,231	7.2	1.6	124
\$10,000 under \$15,000	227,857	56,445	227,857	56,445	4.2	0.9	119
\$15,000 under \$20,000	343,016	159,591	343,016	159,591	4.8	1.8	317
\$20,000 under \$25,000	411,397	318,848	411,397	318,848	6.4	2.3	525
\$25,000 under \$30,000	516,774	597,363	516,774	597,363	7.3	3.1	840
\$30,000 under \$40,000	1,137,271	2,097,618	1,137,271	2,097,618	8.3	4.2	1,471
\$40,000 under \$50,000	1,216,942	3,470,453	1,216,942	3,470,484	9.2	5.2	2,358
\$50,000 under \$75,000	3,276,143	16,261,335	3,276,143	16,261,335	11.2	7.2	4,488
\$75,000 under \$100,000	2,833,344	21,559,446	2,833,344	21,559,446	12.2	8.4	7,335
\$100,000 under \$200,000	5,272,027	90,020,824	5,272,027	90,020,824	16.4	12.2	16,878
\$200,000 under \$500,000	2,075,898	118,508,248	2,075,898	118,508,248	24.5	19.7	56,891
\$500,000 under \$1,000,000	385,333	63,592,714	385,333	63,592,714	28.4	24.3	164,669
\$1,000,000 under \$1,500,000	90,093	27,419,481	90,093	27,419,481	28.9	25.2	303,568
\$1,500,000 under \$2,000,000	37,712	16,586,430	37,712	16,586,430	29.1	25.5	438,899
\$2,000,000 under \$5,000,000	54,118	41,236,571	54,118	41,236,712	29.0	25.7	760,502
\$5,000,000 under \$10,000,000	12,802	22,187,929	12,802	22,187,929	28.4	25.3	1,728,705
\$10,000,000 or more	7,640	50,907,572	7,640	50,907,824	25.3	22.5	6,638,131

\* Estimate should be used with caution due to the small number of sample returns on which it is based.

\*\* Data combined to avoid disclosure of information for specific taxpayers.

[1] For explanation of modified taxable income, see Income and Tax Concepts section of this article.

[2] Includes returns with Schedule J, *Income Averaging for Farmers and Fisherman*, and foreign-earned income tax computations.

[3] For more details on returns with Form 8615 tax computation, see table 3.1A in 2009 Individual Income Tax Returns publication 1304.

NOTE: Detail may not add to totals because of rounding.

# Individual Income Tax Rates and Shares, 2009

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**Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation [1], by Size of Adjusted Gross Income, Tax Year 2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns	Income tax before credits, regular tax computation	Tax generated with Schedule D computation [2]	Tax differences due to regular tax computation vs. with Schedule D computation	Tax generated	Tax differences due to Form 8615 computation vs. with Schedule D computation
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total</b>	<b>165,111</b>	<b>633,142</b>	<b>419,503</b>	<b>-213,639</b>	<b>574,060</b>	<b>154,557</b>
Under \$5,000	62,070	14,092	12,261	-1,831	19,720	7,459
\$5,000 under \$10,000	51,212	25,678	20,438	-5,240	37,975	17,537
\$10,000 under \$15,000	14,960	13,713	11,442	-2,271	21,286	9,844
\$15,000 under \$20,000	11,174	18,491	14,428	-4,063	29,691	15,263
\$20,000 under \$25,000	* 5,615	* 14,146	* 11,347	* -2,799	* 18,533	* 7,186
\$25,000 under \$30,000	* 5,251	* 15,797	* 9,935	* -5,862	* 20,155	* 10,220
\$30,000 under \$40,000	* 3,713	* 14,945	* 9,462	* -5,483	* 15,775	* 6,313
\$40,000 under \$50,000	* 1,995	* 12,704	* 7,342	* -5,362	* 18,283	* 10,941
\$50,000 under \$75,000	* 1,089	* 6,162	* 838	* -5,324	* 2,903	* 2,065
\$75,000 under \$100,000	* 5,026	* 91,665	* 49,606	* -42,059	* 79,927	* 30,321
\$100,000 under \$200,000	* 1,895	* 51,698	* 34,837	* -16,861	* 52,758	* 17,921
\$200,000 under \$500,000	893	77,585	59,691	-17,894	71,629	11,938
\$500,000 under \$1,000,000	* 80	* 16,649	* 16,423	* -226	* 17,893	* 1,470
\$1,000,000 under \$1,500,000	* 21	* 7,274	* 3,604	* -3,670	* 4,100	* 496
\$1,500,000 under \$2,000,000	* 36	* 19,019	* 17,401	* -1,618	* 18,195	* 794
\$2,000,000 under \$5,000,000	50	53,144	35,782	-17,362	36,562	780
\$5,000,000 under \$10,000,000	18	45,224	24,674	-20,550	24,903	229
\$10,000,000 or more	14	135,159	79,994	-55,165	83,773	3,779

\* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] For more details on returns with Form 8615 tax computation, see table 3.1A in 2009 Individual Income Tax Returns, Publication 1304.

[2] For returns that did not have Schedule D worksheet, the regular tax computation was used to calculate tax generated. For 2009, 90,186 returns had no worksheet.

NOTE: Detail may not add to totals because of rounding.

# Individual Income Tax Rates and Shares, 2009

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns: [1]</b>							
1986	102,087,623	102,088	1,020,876	5,104,381	10,208,762	25,521,906	51,043,811
1987	106,154,761	106,155	1,061,548	5,307,738	10,615,476	26,538,690	53,077,380
1988	108,872,859	108,873	1,088,729	5,443,643	10,887,286	27,218,214	54,436,429
1989	111,312,721	111,313	1,113,127	5,565,636	11,131,272	27,828,181	55,656,361
1990	112,812,262	112,812	1,128,123	5,640,613	11,281,226	28,203,066	56,406,132
1991	113,804,104	113,804	1,138,041	5,690,205	11,380,410	28,451,026	56,902,052
1992	112,652,759	112,653	1,126,528	5,632,638	11,265,276	28,163,190	56,326,380
1993	113,681,387	113,681	1,136,814	5,684,069	11,368,139	28,420,347	56,840,694
1994	114,989,920	114,990	1,149,899	5,749,496	11,498,992	28,747,480	57,494,960
1995	117,274,186	117,274	1,172,742	5,863,709	11,727,419	29,318,546	58,637,093
1996	119,441,767	119,442	1,194,418	5,972,088	11,944,177	29,860,442	59,720,884
1997	121,503,284	121,503	1,215,033	6,075,164	12,150,328	30,375,821	60,751,642
1998	123,775,831	123,776	1,237,758	6,188,792	12,377,583	30,943,958	61,887,915
1999	126,008,974	126,009	1,260,090	6,300,449	12,600,897	31,502,244	63,004,487
2000	128,227,143	128,227	1,282,271	6,411,357	12,822,714	32,056,786	64,113,572
2001	128,817,051	128,817	1,288,171	6,440,853	12,881,705	32,204,263	64,408,526
2002	128,323,986	128,324	1,283,240	6,416,199	12,832,399	32,080,997	64,161,993
2003	128,609,786	128,610	1,286,098	6,430,489	12,860,979	32,152,447	64,304,893
2004	130,371,156	130,371	1,303,712	6,518,558	13,037,116	32,592,789	65,185,578
2005	132,611,637	132,612	1,326,116	6,630,582	13,261,164	33,152,909	66,305,819
2006	135,719,160	135,719	1,357,192	6,785,958	13,571,916	33,929,790	67,859,580
2007	[2] 141,070,971	141,071	1,410,710	7,053,549	14,107,097	35,267,743	70,535,486
2008	139,960,580	139,961	1,399,606	6,998,029	13,996,058	34,990,145	69,980,290
2009	137,982,203	137,982	1,379,822	6,899,110	13,798,220	34,495,551	68,991,102
<b>Adjusted gross income floor on percentiles (current dollars):</b>							
1986	N/A	[3]	118,818	62,377	48,656	32,242	17,302
1987	N/A	[3]	139,289	68,414	52,921	33,983	17,768
1988	N/A	[3]	157,136	72,735	55,437	35,398	18,367
1989	N/A	[3]	163,869	76,933	58,263	36,839	18,993
1990	N/A	[3]	167,421	79,064	60,287	38,080	19,767
1991	N/A	[3]	170,139	81,720	61,944	38,929	20,097
1992	N/A	[3]	181,904	85,103	64,457	40,378	20,803
1993	N/A	[3]	185,715	87,386	66,077	41,210	21,179
1994	N/A	[3]	195,726	91,226	68,753	42,742	21,802
1995	N/A	[3]	209,406	96,221	72,094	44,207	22,344
1996	N/A	[3]	227,546	101,141	74,986	45,757	23,174
1997	N/A	[3]	250,736	108,048	79,212	48,173	24,393
1998	N/A	[3]	269,496	114,729	83,220	50,607	25,491
1999	N/A	[3]	293,415	120,846	87,682	52,965	26,415
2000	N/A	[3]	313,469	128,336	92,144	55,225	27,682
2001	N/A	1,324,487	292,913	127,904	92,754	56,085	28,528
2002	N/A	1,191,673	285,424	126,525	92,663	56,401	28,654
2003	N/A	1,262,760	295,495	130,080	94,891	57,343	29,019
2004	N/A	1,548,941	328,049	137,056	99,112	60,041	30,122
2005	N/A	1,848,791	364,657	145,283	103,912	62,068	30,881
2006	N/A	2,044,689	388,806	153,542	108,904	64,702	31,987
2007	N/A	2,155,365	410,096	160,041	113,018	66,532	32,879
2008	N/A	1,803,585	380,354	159,619	113,799	67,280	33,048
2009	N/A	1,432,890	343,927	154,643	112,124	66,193	32,396

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Adjusted gross income floor on percentiles (constant dollars): [4]</b>							
1986	N/A	[3]	108,411	56,913	44,394	29,418	15,786
1987	N/A	[3]	122,614	60,224	46,585	29,915	15,641
1988	N/A	[3]	132,828	61,484	46,861	29,922	15,526
1989	N/A	[3]	132,152	62,043	46,986	29,709	15,317
1990	N/A	[3]	128,096	60,493	46,126	29,135	15,124
1991	N/A	[3]	124,919	60,000	45,480	28,582	14,756
1992	N/A	[3]	129,654	60,658	45,942	28,780	14,828
1993	N/A	[3]	128,522	60,475	45,728	28,519	14,657
1994	N/A	[3]	132,069	61,556	46,392	28,841	14,711
1995	N/A	[3]	137,406	63,137	47,306	29,007	14,661
1996	N/A	[3]	145,026	64,462	47,792	29,163	14,769
1997	N/A	[3]	156,222	67,320	49,353	30,014	15,198
1998	N/A	[3]	164,427	69,999	50,775	30,877	15,553
1999	N/A	[3]	176,119	72,537	52,630	31,792	15,855
2000	N/A	[3]	182,038	74,527	53,510	32,070	16,075
2001	N/A	747,875	165,394	72,221	52,374	31,669	16,108
2002	N/A	662,409	158,657	70,331	51,508	31,351	15,928
2003	N/A	686,283	160,595	70,696	51,571	31,165	15,771
2004	N/A	819,979	173,663	72,555	52,468	31,785	15,946
2005	N/A	946,642	186,716	74,390	53,206	31,781	15,812
2006	N/A	1,014,231	192,860	76,162	54,020	32,094	15,867
2007	N/A	1,039,732	197,827	77,203	54,519	32,095	15,861
2008	N/A	837,708	176,662	74,138	52,856	31,249	15,350
2009	N/A	667,899	160,311	72,082	52,263	30,854	15,100
<b>Adjusted gross income (millions of dollars):</b>							
1986	2,524,124	[3]	285,197	608,467	886,510	1,490,173	2,103,569
1987	2,813,728	[3]	346,635	722,221	1,038,221	1,709,389	2,373,869
1988	3,124,156	[3]	473,527	890,702	1,232,536	1,950,860	2,657,865
1989	3,298,858	[3]	468,079	918,421	1,286,539	2,054,478	2,805,235
1990	3,451,237	[3]	483,252	953,337	1,338,032	2,144,177	2,932,537
1991	3,516,142	[3]	456,603	943,350	1,343,202	2,174,765	2,984,003
1992	3,680,552	[3]	523,586	1,031,093	1,443,784	2,299,401	3,131,400
1993	3,775,578	[3]	520,586	1,048,252	1,474,463	2,357,953	3,212,299
1994	3,961,146	[3]	546,700	1,103,084	1,552,205	2,481,074	3,371,352
1995	4,244,607	[3]	619,610	1,222,723	1,704,513	2,689,820	3,627,542
1996	4,590,527	[3]	736,545	1,393,805	1,909,149	2,952,637	3,944,383
1997	5,023,457	[3]	872,826	1,597,107	2,151,401	3,267,600	4,327,992
1998	5,469,211	[3]	1,010,245	1,796,647	2,393,716	3,589,600	4,721,430
1999	5,909,329	[3]	1,152,820	2,011,763	2,652,835	3,927,308	5,126,164
2000	6,423,977	[3]	1,336,773	2,267,403	2,955,386	4,313,786	5,589,755
2001	6,241,036	505,752	1,094,296	1,996,492	2,690,589	4,071,034	5,379,286
2002	6,113,778	431,644	985,781	1,867,787	2,553,475	3,935,504	5,244,029
2003	6,287,586	476,041	1,054,567	1,960,676	2,663,470	4,078,227	5,407,851
2004	6,875,123	628,522	1,306,417	2,299,595	3,049,275	4,546,401	5,952,781
2005	7,507,958	799,403	1,591,711	2,683,934	3,487,010	5,069,455	6,544,824
2006	8,122,040	911,054	1,791,886	2,977,714	3,843,144	5,535,830	7,105,599
2007	8,798,500	1,049,358	2,008,259	3,294,542	4,227,839	6,045,354	7,720,213
2008	8,426,625	839,371	1,685,472	2,926,701	3,856,462	5,678,179	7,352,111
2009	7,825,389	610,241	1,324,572	2,482,490	3,379,731	5,149,871	6,770,174

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total income tax (millions of dollars): [5]</b>							
1986	366,979	[3]	94,491	156,240	200,703	278,976	343,289
1987	369,046	[3]	91,559	159,642	205,230	283,857	346,655
1988	412,761	[3]	113,841	188,303	236,411	321,297	389,145
1989	432,838	[3]	109,259	190,188	241,458	334,258	407,599
1990	447,061	[3]	112,338	195,088	247,514	344,340	421,075
1991	448,349	[3]	111,267	194,480	250,282	346,511	423,759
1992	476,163	[3]	131,156	218,479	276,213	373,700	452,070
1993	502,720	[3]	145,836	238,083	297,808	398,516	478,563
1994	534,754	[3]	154,337	254,106	317,902	425,402	509,256
1995	588,331	[3]	178,035	287,741	357,402	472,808	561,225
1996	658,124	[3]	212,626	335,433	411,404	535,164	629,684
1997	727,303	[3]	241,239	377,241	459,639	594,007	696,161
1998	788,452	[3]	274,009	424,506	512,836	651,964	755,240
1999	877,292	[3]	317,419	486,464	583,002	732,890	842,168
2000	980,521	[3]	366,929	553,670	660,150	823,706	942,179
2001	887,882	142,616	300,898	472,823	576,163	736,053	852,642
2002	796,862	122,975	268,608	428,680	523,812	668,558	768,963
2003	747,939	117,275	256,340	406,597	492,452	627,380	722,027
2004	831,890	145,118	306,902	475,224	567,273	705,915	804,471
2005	934,703	180,008	368,132	557,759	657,085	803,772	906,028
2006	1,023,739	200,281	408,369	615,680	724,740	883,153	993,176
2007	1,115,504	225,239	450,926	676,293	794,432	965,875	1,083,243
2008	1,031,512	190,498	392,149	605,718	721,421	890,614	1,003,639
2009	865,863	148,143	318,043	507,907	610,156	755,903	846,352
<b>Average tax rate (percentage): [6]</b>							
1986	14.54	[3]	33.13	25.68	22.64	18.72	16.32
1987	13.12	[3]	26.41	22.10	19.77	16.61	14.60
1988	13.21	[3]	24.04	21.14	19.18	16.47	14.64
1989	13.12	[3]	23.34	20.71	18.77	16.27	14.53
1990	12.95	[3]	23.25	20.46	18.50	16.06	14.36
1991	12.75	[3]	24.37	20.62	18.63	15.93	14.20
1992	12.94	[3]	25.05	21.19	19.13	16.25	14.44
1993	13.32	[3]	28.01	22.71	20.20	16.90	14.90
1994	13.50	[3]	28.23	23.04	20.48	17.15	15.11
1995	13.86	[3]	28.73	23.53	20.97	17.58	15.47
1996	14.34	[3]	28.87	24.07	21.55	18.12	15.96
1997	14.48	[3]	27.64	23.62	21.36	18.18	16.09
1998	14.42	[3]	27.12	23.63	21.42	18.16	16.00
1999	14.85	[3]	27.53	24.18	21.98	18.66	16.43
2000	15.26	[3]	27.45	24.42	22.34	19.09	16.86
2001	14.23	28.20	27.50	23.68	21.41	18.08	15.85
2002	13.03	28.49	27.25	22.95	20.51	16.99	14.66
2003	11.90	24.64	24.31	20.74	18.49	15.38	13.35
2004	12.10	23.09	23.49	20.67	18.60	15.53	13.51
2005	12.45	22.52	23.13	20.78	18.84	15.86	13.84
2006	12.60	21.98	22.79	20.68	18.86	15.95	13.98
2007	12.68	21.46	22.45	20.53	18.79	15.98	14.03
2008	12.24	22.70	23.27	20.70	18.71	15.68	13.65
2009	11.06	24.28	24.01	20.46	18.05	14.68	12.50

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Adjusted gross income share (percentage):</b>							
1986	100.00	[3]	11.30	24.11	35.12	59.04	83.34
1987	100.00	[3]	12.32	25.67	36.90	60.75	84.37
1988	100.00	[3]	15.16	28.51	39.45	62.44	85.07
1989	100.00	[3]	14.19	27.84	39.00	62.28	85.04
1990	100.00	[3]	14.00	27.62	38.77	62.13	84.97
1991	100.00	[3]	12.99	26.83	38.20	61.85	84.87
1992	100.00	[3]	14.23	28.01	39.23	62.47	85.08
1993	100.00	[3]	13.79	27.76	39.05	62.45	85.08
1994	100.00	[3]	13.80	27.85	39.19	62.64	85.11
1995	100.00	[3]	14.60	28.81	40.16	63.37	85.46
1996	100.00	[3]	16.04	30.36	41.59	64.32	85.92
1997	100.00	[3]	17.38	31.79	42.83	65.05	86.16
1998	100.00	[3]	18.47	32.85	43.77	65.63	86.33
1999	100.00	[3]	19.51	34.04	44.89	66.46	86.75
2000	100.00	[3]	20.81	35.30	46.01	67.15	87.01
2001	100.00	8.10	17.53	31.99	43.11	65.23	86.19
2002	100.00	7.06	16.12	30.55	41.77	64.37	85.77
2003	100.00	7.57	16.77	31.18	42.36	64.86	86.01
2004	100.00	9.14	19.00	33.45	44.35	66.13	86.58
2005	100.00	10.65	21.20	35.75	46.44	67.52	87.17
2006	100.00	11.22	22.06	36.66	47.32	68.16	87.49
2007	100.00	11.93	22.83	37.44	48.05	68.71	87.74
2008	100.00	9.96	20.00	34.73	45.77	67.38	87.25
2009	100.00	7.80	16.93	31.72	43.19	65.81	86.52
<b>Total income tax share (percentage):</b>							
1986	100.00	[3]	25.75	42.57	54.69	76.02	93.54
1987	100.00	[3]	24.81	43.26	55.61	76.92	93.93
1988	100.00	[3]	27.58	45.62	57.28	77.84	94.28
1989	100.00	[3]	25.24	43.94	55.78	77.22	94.17
1990	100.00	[3]	25.13	43.64	55.36	77.02	94.19
1991	100.00	[3]	24.82	43.38	55.82	77.29	94.52
1992	100.00	[3]	27.54	45.88	58.01	78.48	94.94
1993	100.00	[3]	29.01	47.36	59.24	79.27	95.19
1994	100.00	[3]	28.86	47.52	59.45	79.55	95.23
1995	100.00	[3]	30.26	48.91	60.75	80.36	95.39
1996	100.00	[3]	32.31	50.97	62.51	81.32	95.68
1997	100.00	[3]	33.17	51.87	63.20	81.67	95.72
1998	100.00	[3]	34.75	53.84	65.04	82.69	95.79
1999	100.00	[3]	36.18	55.45	66.45	83.54	96.00
2000	100.00	[3]	37.42	56.47	67.33	84.01	96.09
2001	100.00	16.06	33.89	53.25	64.89	82.90	96.03
2002	100.00	15.43	33.71	53.80	65.73	83.90	96.50
2003	100.00	15.68	34.27	54.36	65.84	83.88	96.54
2004	100.00	17.44	36.89	57.13	68.19	84.86	96.70
2005	100.00	19.26	39.38	59.67	70.30	85.99	96.93
2006	100.00	19.56	39.89	60.14	70.79	86.27	97.01
2007	100.00	20.19	40.42	60.63	71.22	86.59	97.11
2008	100.00	18.47	38.02	58.72	69.94	86.34	97.30
2009	100.00	17.11	36.73	58.66	70.47	87.30	97.75

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2009, there were 3,820 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Not calculated.

[4] For Table 5, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2009 the CPI-U = 214.537.

[5] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[6] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.



# Individual Income Tax Rates and Shares, 2009

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: [1]</b>						
1986	102,087,623	51,043,811	76,565,717	91,878,861	96,983,242	101,066,747
1987	106,154,761	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213
1988	108,872,858	54,436,429	81,654,643	97,985,572	103,429,215	107,784,129
1989	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596
1990	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141
1991	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063
1992	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231
1993	113,681,387	56,840,693	85,261,040	102,313,248	107,997,318	112,544,573
1994	114,989,920	57,494,960	86,242,440	103,490,928	109,240,424	113,840,021
1995	117,274,186	58,637,093	87,955,640	105,546,767	111,410,477	116,101,444
1996	119,441,767	59,720,883	89,581,325	107,497,590	113,469,679	118,247,349
1997	121,503,284	60,751,642	91,127,463	109,352,956	115,428,120	120,288,251
1998	123,775,831	61,887,916	92,831,873	111,398,248	117,587,039	122,538,073
1999	126,008,974	63,004,487	94,506,731	113,408,077	119,708,525	124,748,884
2000	128,227,143	64,113,572	96,170,357	115,404,429	121,815,786	126,944,872
2001	128,817,051	64,408,526	96,612,788	115,935,346	122,376,198	127,528,880
2002	128,323,986	64,161,993	96,242,990	115,491,587	121,907,787	127,040,746
2003	128,609,786	64,304,893	96,457,340	115,748,807	122,179,297	127,323,688
2004	130,371,156	65,185,578	97,778,367	117,334,040	123,852,598	129,067,444
2005	132,611,637	66,305,819	99,458,728	119,350,473	125,981,055	131,285,521
2006	135,719,160	67,859,580	101,789,370	122,147,244	128,933,202	134,361,968
2007	[2] 141,070,971	70,535,486	105,803,228	126,963,874	134,017,422	139,660,261
2008	139,960,580	69,980,290	104,970,435	125,964,522	132,962,551	138,560,974
2009	137,982,203	68,991,102	103,486,652	124,183,983	131,083,093	136,602,381
<b>Adjusted gross income (millions of dollars):</b>						
1986	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927
1987	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093
1988	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629
1989	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779
1990	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985
1991	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539
1992	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966
1993	3,775,578	563,279	1,417,625	2,301,115	2,727,326	3,254,992
1994	3,961,146	589,795	1,480,073	2,408,941	2,858,063	3,414,447
1995	4,244,607	617,065	1,554,788	2,540,094	3,021,884	3,624,997
1996	4,590,527	646,144	1,637,891	2,681,378	3,196,723	3,853,983
1997	5,023,457	695,465	1,755,857	2,872,056	3,426,350	4,150,631
1998	5,469,211	747,781	1,879,611	3,075,495	3,672,564	4,458,967
1999	5,909,329	783,164	1,982,021	3,256,494	3,897,565	4,756,509
2000	6,423,977	834,222	2,110,190	3,468,590	4,156,573	5,087,204
2001	6,241,036	861,750	2,170,001	3,550,447	4,244,543	5,146,740
2002	6,113,778	869,750	2,178,274	3,560,303	4,245,991	5,127,997
2003	6,287,586	879,735	2,209,359	3,624,117	4,326,911	5,233,019
2004	6,875,123	922,342	2,328,722	3,825,848	4,575,529	5,568,706
2005	7,507,958	963,135	2,438,504	4,020,948	4,824,024	5,916,248
2006	8,122,040	1,016,441	2,586,209	4,278,895	5,144,325	6,330,153
2007	8,798,500	1,078,287	2,753,146	4,570,661	5,503,958	6,790,241
2008	8,426,625	1,074,514	2,748,447	4,570,164	5,499,924	6,741,153
2009	7,825,389	1,055,215	2,675,518	4,445,659	5,342,900	6,500,818

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total income tax (millions of dollars): [3]</b>						
1986	366,979	23,690	88,002	166,276	210,739	272,488
1987	369,046	22,391	85,189	163,816	209,404	277,488
1988	412,761	23,616	91,464	176,350	224,459	298,920
1989	432,838	25,239	98,580	191,380	242,650	323,579
1990	447,061	25,986	102,721	199,547	251,973	334,723
1991	448,349	24,554	101,837	198,067	253,869	337,081
1992	476,163	24,093	102,463	199,950	257,683	345,007
1993	502,720	24,157	104,203	204,912	264,637	356,884
1994	534,754	25,499	109,353	216,852	280,648	380,418
1995	588,331	27,106	115,523	230,929	300,590	410,296
1996	658,124	28,440	122,960	246,720	322,691	445,498
1997	727,303	31,134	133,296	267,664	350,062	486,064
1998	788,452	33,212	136,488	275,615	363,946	514,442
1999	877,292	35,126	144,402	294,290	390,828	559,874
2000	980,521	38,343	156,816	320,371	426,851	613,592
2001	887,882	35,239	151,826	311,719	415,059	586,984
2002	796,862	27,899	128,304	273,050	368,182	528,254
2003	747,932	25,912	120,564	255,486	341,341	491,597
2004	831,890	27,418	125,973	264,617	356,666	524,988
2005	934,703	28,673	130,930	277,618	376,942	566,571
2006	1,023,739	30,561	140,586	298,999	408,058	615,370
2007	1,115,504	32,261	149,630	321,073	439,212	664,579
2008	1,031,512	27,873	140,898	310,091	425,793	639,363
2009	865,863	19,511	109,962	255,707	357,956	547,820
<b>Average tax rate (percentage): [4]</b>						
1986	14.54	5.63	8.51	10.15	11.00	12.17
1987	13.12	5.09	7.71	9.23	10.01	11.25
1988	13.21	5.06	7.80	9.32	10.05	11.28
1989	13.12	5.11	7.92	9.51	10.19	11.43
1990	12.95	5.01	7.86	9.44	10.09	11.28
1991	12.75	4.61	7.59	9.12	9.87	11.04
1992	12.94	4.39	7.42	8.94	9.73	10.93
1993	13.32	4.29	7.35	8.90	9.70	10.96
1994	13.50	4.32	7.39	9.00	9.82	11.14
1995	13.86	4.39	7.43	9.09	9.95	11.32
1996	14.34	4.40	7.51	9.20	10.09	11.56
1997	14.48	4.48	7.59	9.32	10.22	11.71
1998	14.42	4.44	7.26	8.96	9.91	11.54
1999	14.85	4.49	7.29	9.04	10.03	11.77
2000	15.26	4.60	7.43	9.24	10.27	12.06
2001	14.23	4.09	7.00	8.78	9.78	11.41
2002	13.03	3.21	5.89	7.67	8.67	10.30
2003	11.90	2.95	5.46	7.05	7.89	9.39
2004	12.10	2.97	5.41	6.92	7.80	9.43
2005	12.45	2.98	5.37	6.90	7.81	9.58
2006	12.60	3.01	5.44	6.99	7.93	9.72
2007	12.68	2.99	5.43	7.02	7.98	9.79
2008	12.24	2.59	5.13	6.79	7.74	9.48
2009	11.06	1.85	4.11	5.75	6.70	8.43

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income share (percentage):</b>						
1986	100.00	16.66	40.96	64.88	75.89	88.70
1987	100.00	15.63	39.25	63.10	74.33	87.68
1988	100.00	14.93	37.56	60.55	71.49	84.84
1989	100.00	14.96	37.72	61.00	72.16	85.81
1990	100.00	15.03	37.87	61.23	72.38	86.00
1991	100.00	15.13	38.15	61.80	73.17	87.01
1992	100.00	14.92	37.53	60.77	71.99	85.77
1993	100.00	14.92	37.55	60.95	72.24	86.21
1994	100.00	14.89	37.36	60.81	72.15	86.20
1995	100.00	14.54	36.63	59.84	71.19	85.40
1996	100.00	14.08	35.68	58.41	69.64	83.96
1997	100.00	13.84	34.95	57.17	68.21	82.63
1998	100.00	13.67	34.37	56.23	67.15	81.53
1999	100.00	13.25	33.54	55.11	65.96	80.49
2000	100.00	12.99	32.85	53.99	64.70	79.19
2001	100.00	13.81	34.77	56.89	68.01	82.47
2002	100.00	14.23	35.63	58.23	69.45	83.88
2003	100.00	13.99	35.14	57.64	68.82	83.23
2004	100.00	13.42	33.87	55.65	66.55	81.00
2005	100.00	12.83	32.48	53.56	64.25	78.80
2006	100.00	12.51	31.84	52.68	63.34	77.94
2007	100.00	12.26	31.29	51.95	62.56	77.18
2008	100.00	12.75	32.62	54.23	65.27	80.00
2009	100.00	13.48	34.19	56.81	68.28	83.07
<b>Total income tax share (percentage):</b>						
1986	100.00	6.46	23.98	45.31	57.43	74.25
1987	100.00	6.07	23.08	44.39	56.74	75.19
1988	100.00	5.72	22.16	42.72	54.38	72.42
1989	100.00	5.83	22.78	44.22	56.06	74.76
1990	100.00	5.81	22.98	44.64	56.36	74.87
1991	100.00	5.48	22.71	44.18	56.62	75.18
1992	100.00	5.06	21.52	41.99	54.12	72.46
1993	100.00	4.81	20.73	40.76	52.64	70.99
1994	100.00	4.77	20.45	40.55	52.48	71.14
1995	100.00	4.61	19.64	39.25	51.09	69.74
1996	100.00	4.32	18.68	37.49	49.03	67.69
1997	100.00	4.28	18.33	36.80	48.13	66.83
1998	100.00	4.21	17.31	34.96	46.16	65.25
1999	100.00	4.00	16.46	33.55	44.55	63.82
2000	100.00	3.91	15.99	32.67	43.53	62.58
2001	100.00	3.97	17.10	35.11	46.75	66.11
2002	100.00	3.50	16.10	34.27	46.20	66.29
2003	100.00	3.46	16.12	34.16	45.64	65.73
2004	100.00	3.30	15.14	31.81	42.87	63.11
2005	100.00	3.07	14.01	29.70	40.33	60.62
2006	100.00	2.99	13.73	29.21	39.86	60.11
2007	100.00	2.89	13.41	28.78	39.37	59.58
2008	100.00	2.70	13.66	30.06	41.28	61.98
2009	100.00	2.25	12.70	29.53	41.34	63.27

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2009, there were 3,820 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.

# Individual Income Tax Rates and Shares, 2009

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: [1]</b>						
1986	101,988,805	1,019,888	5,099,440	10,198,881	25,497,201	50,994,402
1987	106,191,624	1,061,916	5,309,581	10,619,162	26,547,906	53,095,812
1988	108,879,154	1,088,792	5,443,958	10,887,915	27,219,788	54,439,577
1989	111,328,835	1,113,288	5,566,442	11,132,884	27,832,209	55,664,418
1990	112,717,959	1,127,180	5,635,898	11,271,796	28,179,490	56,358,980
1991	113,823,123	1,138,231	5,691,156	11,382,312	28,455,781	56,911,562
1992	112,687,747	1,126,877	5,634,387	11,268,775	28,171,937	56,343,874
1993	113,721,706	1,137,217	5,686,085	11,372,171	28,430,426	56,860,853
1994	115,061,112	1,150,611	5,753,056	11,506,111	28,765,278	57,530,556
1995	117,333,779	1,173,338	5,866,689	11,733,378	29,333,445	58,666,889
1996	119,487,813	1,194,878	5,974,391	11,948,781	29,871,953	59,743,906
1997	121,555,156	1,215,552	6,077,758	12,155,516	30,388,789	60,777,578
1998	123,852,016	1,238,520	6,192,601	12,385,202	30,963,004	61,926,008
1999	126,107,596	1,261,076	6,305,380	12,610,760	31,526,899	63,053,798
2000	128,340,271	1,283,403	6,417,014	12,834,027	32,085,068	64,170,135
2001	128,863,007	1,288,630	6,443,150	12,886,301	32,215,752	64,431,504
2002	128,415,184	1,284,152	6,420,759	12,841,518	32,103,796	64,207,592
2003	128,757,145	1,287,571	6,437,857	12,875,715	32,189,286	64,378,573
2004	130,508,966	1,305,090	6,525,448	13,050,897	32,627,242	65,254,483
2005	132,730,734	1,327,307	6,636,537	13,273,073	33,182,684	66,365,367
2006	135,854,749	1,358,547	6,792,737	13,585,475	33,963,687	67,927,375
2007	[2] 141,252,080	1,412,521	7,062,604	14,125,208	35,313,020	70,626,040
2008	140,118,702	1,401,187	7,005,935	14,011,870	35,029,676	70,059,351
2009	138,162,359	1,381,624	6,908,118	13,816,236	34,540,590	69,081,180
<b>Income floor on percentiles (current dollars):</b>						
1986	N/A	147,863	68,362	52,035	33,623	17,909
1987	N/A	145,624	69,222	53,094	34,165	17,959
1988	N/A	161,774	73,451	55,532	35,432	18,534
1989	N/A	169,603	77,542	58,429	36,783	19,152
1990	N/A	174,813	80,400	60,623	38,026	19,947
1991	N/A	180,268	83,300	62,413	38,913	20,302
1992	N/A	197,031	87,370	65,283	40,423	21,041
1993	N/A	199,698	88,992	66,685	41,013	21,390
1994	N/A	210,742	93,186	69,118	42,480	22,000
1995	N/A	224,523	98,420	72,210	43,860	22,575
1996	N/A	246,268	103,489	75,574	45,508	23,378
1997	N/A	268,889	110,949	79,598	47,738	24,551
1998	N/A	301,513	120,262	84,904	50,232	25,612
1999	N/A	332,253	126,643	89,172	52,399	26,487
2000	N/A	353,945	134,128	93,715	54,592	27,647
2001	N/A	323,861	131,728	93,633	55,203	28,404
2002	N/A	315,937	132,253	93,833	55,695	28,541
2003	N/A	327,160	134,818	96,021	56,573	28,896
2004	N/A	363,905	142,975	100,957	59,112	29,899
2005	N/A	402,354	152,048	105,958	61,055	30,588
2006	N/A	437,036	162,043	111,560	63,694	31,693
2007	N/A	458,846	168,478	115,564	65,340	32,400
2008	N/A	429,502	166,540	116,010	65,824	32,545
2009	N/A	384,777	160,286	113,636	64,605	31,873

Footnotes at end of table.

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Income floor on percentiles (constant dollars): [3]</b>						
1986	N/A	134,912	62,374	47,477	30,678	16,340
1987	N/A	128,190	60,935	46,738	30,075	15,809
1988	N/A	136,749	62,089	46,942	29,951	15,667
1989	N/A	136,777	62,534	47,120	29,664	15,445
1990	N/A	133,751	61,515	46,383	29,094	15,262
1991	N/A	132,355	61,160	45,825	28,571	14,906
1992	N/A	140,436	62,274	46,531	28,812	14,997
1993	N/A	138,199	61,586	46,149	28,383	14,803
1994	N/A	142,201	62,879	46,638	28,664	14,845
1995	N/A	147,325	64,580	47,382	28,780	14,813
1996	N/A	156,959	65,959	48,167	29,004	14,900
1997	N/A	167,532	69,127	49,594	29,743	15,297
1998	N/A	183,962	73,375	51,802	30,648	15,627
1999	N/A	199,432	76,016	53,525	31,452	15,899
2000	N/A	205,543	77,891	54,422	31,703	16,055
2001	N/A	182,869	74,381	52,870	31,171	16,038
2002	N/A	175,618	73,515	52,158	30,959	15,865
2003	N/A	177,804	73,271	52,185	30,746	15,704
2004	N/A	192,644	75,688	53,445	31,293	15,828
2005	N/A	206,018	77,854	54,254	31,262	15,662
2006	N/A	216,784	80,378	55,337	31,594	15,721
2007	N/A	221,344	81,273	55,747	31,520	15,630
2008	N/A	199,490	77,353	53,883	30,573	15,116
2009	N/A	179,352	74,713	52,968	30,114	14,857
<b>Income (millions of current dollars):</b>						
1986	2,804,691	427,513	796,935	1,097,550	1,732,231	2,368,620
1987	2,856,118	363,880	749,240	1,067,438	1,741,747	2,411,715
1988	3,153,639	484,675	911,170	1,255,108	1,973,061	2,683,524
1989	3,336,571	486,976	947,363	1,317,619	2,085,003	2,838,481
1990	3,497,118	504,687	987,582	1,376,162	2,182,091	2,973,847
1991	3,577,337	478,756	985,590	1,390,924	2,224,979	3,038,428
1992	3,763,002	556,421	1,090,019	1,509,728	2,369,701	3,206,490
1993	3,849,532	554,075	1,105,014	1,537,285	2,422,475	3,278,866
1994	4,033,642	579,564	1,161,972	1,617,250	2,544,400	3,436,167
1995	4,317,506	653,717	1,284,726	1,772,890	2,754,988	3,692,267
1996	4,670,644	772,868	1,462,979	1,984,931	3,025,107	4,015,461
1997	5,112,706	918,007	1,679,877	2,242,353	3,353,245	4,409,075
1998	5,626,390	1,072,779	1,925,214	2,542,399	3,742,006	4,869,467
1999	6,082,931	1,236,081	2,166,370	2,825,789	4,099,929	5,290,805
2000	6,601,494	1,424,436	2,430,957	3,138,299	4,495,910	5,758,808
2001	6,361,523	1,159,037	2,121,055	2,828,677	4,202,776	5,491,703
2002	6,262,714	1,057,775	2,005,658	2,712,226	4,092,069	5,383,263
2003	6,429,711	1,122,582	2,091,401	2,813,645	4,226,517	5,539,087
2004	7,044,141	1,383,978	2,453,830	3,228,229	4,726,625	6,111,786
2005	7,701,103	1,678,406	2,863,229	3,694,152	5,278,659	6,729,456
2006	8,365,645	1,900,311	3,202,445	4,101,178	5,798,340	7,340,135
2007	9,048,579	2,121,037	3,533,346	4,502,869	6,324,119	7,963,204
2008	8,657,921	1,802,841	3,157,272	4,117,545	5,937,731	7,574,417
2009	8,001,973	1,432,388	2,677,016	3,596,925	5,358,589	6,938,319

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total income tax (millions of current dollars): [4]</b>						
1986	366,763	93,128	155,553	198,862	277,578	342,296
1987	368,924	89,908	158,485	204,050	282,970	346,228
1988	412,549	112,208	186,793	235,121	320,152	388,631
1989	432,643	107,508	188,588	240,229	333,285	407,106
1990	446,906	110,530	192,991	245,856	342,926	420,345
1991	448,177	107,926	192,548	246,745	345,168	423,180
1992	476,067	127,361	216,303	272,361	372,352	451,494
1993	502,638	142,329	235,908	294,238	397,261	477,997
1994	534,693	150,133	250,770	314,909	423,743	508,540
1995	588,292	173,877	284,036	354,427	471,035	560,748
1996	658,059	208,071	331,404	407,726	532,750	628,918
1997	731,123	238,978	376,046	459,674	595,060	699,131
1998	783,437	262,464	413,303	503,577	644,182	749,547
1999	877,199	307,382	479,531	577,903	729,679	841,172
2000	980,459	355,911	546,102	654,155	819,937	941,304
2001	887,770	291,907	466,057	570,430	732,094	851,539
2002	796,763	259,192	420,834	517,937	664,670	767,890
2003	747,800	248,107	400,202	487,657	624,070	720,861
2004	831,815	297,199	467,728	562,092	702,203	803,521
2005	934,524	359,060	549,667	651,220	800,022	904,857
2006	1,023,556	396,274	605,877	717,713	878,565	991,763
2007	1,115,338	437,537	665,659	786,765	961,228	1,081,951
2008	1,031,252	378,608	594,941	713,703	885,883	1,002,156
2009	865,523	306,365	498,819	602,713	750,099	844,772
<b>Average tax rate (percentage): [5]</b>						
1986	13.08	21.78	19.52	18.12	16.02	14.45
1987	12.92	24.71	21.15	19.12	16.25	14.36
1988	13.08	23.15	20.50	18.73	16.23	14.48
1989	12.97	22.08	19.91	18.23	15.98	14.34
1990	12.78	21.90	19.54	17.87	15.72	14.13
1991	12.53	22.54	19.54	17.74	15.51	13.93
1992	12.65	22.89	19.84	18.04	15.71	14.08
1993	13.06	25.69	21.35	19.14	16.40	14.58
1994	13.26	25.90	21.58	19.47	16.65	14.80
1995	13.63	26.60	22.11	19.99	17.10	15.19
1996	14.09	26.92	22.65	20.54	17.61	15.66
1997	14.30	26.03	22.39	20.50	17.75	15.86
1998	13.92	24.47	21.47	19.81	17.21	15.39
1999	14.42	24.87	22.14	20.45	17.80	15.90
2000	14.85	24.99	22.46	20.84	18.24	16.35
2001	13.96	25.19	21.97	20.17	17.42	15.51
2002	12.72	24.50	20.98	19.10	16.24	14.26
2003	11.63	22.10	19.14	17.33	14.77	13.01
2004	11.81	21.47	19.06	17.41	14.86	13.15
2005	12.13	21.39	19.20	17.63	15.16	13.45
2006	12.24	20.85	18.92	17.50	15.15	13.51
2007	12.33	20.63	18.84	17.47	15.20	13.59
2008	11.91	21.00	18.84	17.33	14.92	13.23
2009	10.82	21.39	18.63	16.76	14.00	12.18

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Income share (percentage):</b>						
1986	100.00	15.24	28.41	39.13	61.76	84.45
1987	100.00	12.74	26.23	37.37	60.98	84.44
1988	100.00	15.37	28.89	39.80	62.56	85.09
1989	100.00	14.60	28.39	39.49	62.49	85.07
1990	100.00	14.43	28.24	39.35	62.40	85.04
1991	100.00	13.38	27.55	38.88	62.20	84.94
1992	100.00	14.79	28.97	40.12	62.97	85.21
1993	100.00	14.39	28.71	39.93	62.93	85.18
1994	100.00	14.37	28.81	40.09	63.08	85.19
1995	100.00	15.14	29.76	41.06	63.81	85.52
1996	100.00	16.55	31.32	42.50	64.77	85.97
1997	100.00	17.96	32.86	43.86	65.59	86.24
1998	100.00	19.07	34.22	45.19	66.51	86.55
1999	100.00	20.32	35.61	46.45	67.40	86.98
2000	100.00	21.58	36.82	47.54	68.10	87.23
2001	100.00	18.22	33.34	44.47	66.07	86.33
2002	100.00	16.89	32.03	43.31	65.34	85.96
2003	100.00	17.46	32.53	43.76	65.73	86.15
2004	100.00	19.65	34.84	45.83	67.10	86.76
2005	100.00	21.79	37.18	47.97	68.54	87.38
2006	100.00	22.72	38.28	49.02	69.31	87.74
2007	100.00	23.44	39.05	49.76	69.89	88.01
2008	100.00	20.82	36.47	47.56	68.58	87.49
2009	100.00	17.90	33.45	44.95	66.97	86.71
<b>Total income tax share (percentage):</b>						
1986	100.00	25.39	42.41	54.22	75.68	93.33
1987	100.00	24.37	42.96	55.31	76.70	93.85
1988	100.00	27.20	45.28	56.99	77.60	94.20
1989	100.00	24.85	43.59	55.53	77.03	94.10
1990	100.00	24.73	43.18	55.01	76.73	94.06
1991	100.00	24.08	42.96	55.06	77.02	94.42
1992	100.00	26.75	45.44	57.21	78.21	94.84
1993	100.00	28.32	46.93	58.54	79.04	95.10
1994	100.00	28.08	46.90	58.90	79.25	95.11
1995	100.00	29.56	48.28	60.25	80.07	95.32
1996	100.00	31.62	50.36	61.96	80.96	95.57
1997	100.00	32.69	51.43	62.87	81.39	95.62
1998	100.00	33.50	52.76	64.28	82.23	95.67
1999	100.00	35.04	54.67	65.88	83.18	95.89
2000	100.00	36.30	55.70	66.72	83.63	96.01
2001	100.00	32.88	52.50	64.25	82.46	95.92
2002	100.00	32.53	52.82	65.01	83.42	96.38
2003	100.00	33.18	53.52	65.21	83.45	96.40
2004	100.00	35.73	56.23	67.57	84.42	96.60
2005	100.00	38.42	58.82	69.68	85.61	96.83
2006	100.00	38.72	59.19	70.12	85.83	96.89
2007	100.00	39.23	59.68	70.54	86.18	97.01
2008	100.00	36.71	57.69	69.21	85.90	97.18
2009	100.00	35.40	57.63	69.64	86.66	97.60

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 7. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2009, there were 3,820 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] For Table 7, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2009 the CPI-U = 214.537.

[4] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[5] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

# Individual Income Tax Rates and Shares, 2009

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns: [1]</b>						
1986	101,988,805	50,994,402	76,491,604	91,789,924	96,889,365	100,968,917
1987	106,191,624	53,095,812	79,643,718	95,572,462	100,882,043	105,129,708
1988	108,879,154	54,439,577	81,659,366	97,991,239	103,435,196	107,790,362
1989	111,328,835	55,664,417	83,496,626	100,195,951	105,762,393	110,215,547
1990	112,717,959	56,358,980	84,538,469	101,446,163	107,082,061	111,590,779
1991	113,823,123	56,911,562	85,367,342	102,440,811	108,131,967	112,684,892
1992	112,687,747	56,343,874	84,515,810	101,418,972	107,053,360	111,560,870
1993	113,721,706	56,860,853	85,291,280	102,349,535	108,035,621	112,584,489
1994	115,061,112	57,530,556	86,295,834	103,555,001	109,308,056	113,910,501
1995	117,333,779	58,666,890	88,000,334	105,600,401	111,467,090	116,160,441
1996	119,487,813	59,743,907	89,615,860	107,539,032	113,513,422	118,292,935
1997	121,555,156	60,777,578	91,166,367	109,399,640	115,477,398	120,339,604
1998	123,852,016	61,926,008	92,889,012	111,466,814	117,659,415	122,613,496
1999	126,107,596	63,053,798	94,580,697	113,496,836	119,802,216	124,846,520
2000	128,340,271	64,170,135	96,255,203	115,506,243	121,923,257	127,056,868
2001	128,863,007	64,431,504	96,647,255	115,976,706	122,419,857	127,574,377
2002	128,415,184	64,207,592	96,311,388	115,573,666	121,994,425	127,131,032
2003	128,757,145	64,378,573	96,567,859	115,881,431	122,319,288	127,469,574
2004	130,508,966	65,254,483	97,881,725	117,458,069	123,983,518	129,203,876
2005	132,730,734	66,365,367	99,548,051	119,457,661	126,094,197	131,403,427
2006	135,854,749	67,927,375	101,891,062	122,269,274	129,062,012	134,496,202
2007	[2] 141,252,080	70,626,040	105,939,060	127,126,872	134,189,476	139,839,559
2008	140,118,702	70,059,351	105,089,027	126,106,832	133,112,767	138,717,515
2009	138,162,359	69,081,180	103,621,769	124,346,123	131,254,241	136,780,735
<b>Income (millions of current dollars):</b>						
1986	2,804,691	436,071	1,072,460	1,707,142	2,007,756	2,377,178
1987	2,856,118	444,403	1,114,372	1,788,680	2,106,878	2,492,238
1988	3,153,639	470,115	1,180,578	1,898,531	2,242,469	2,668,964
1989	3,336,571	498,089	1,251,567	2,018,952	2,389,207	2,849,595
1990	3,497,118	523,271	1,315,027	2,120,956	2,509,535	2,992,431
1991	3,577,337	538,910	1,352,358	2,186,413	2,591,748	3,098,582
1992	3,763,002	556,512	1,393,300	2,253,273	2,672,983	3,206,581
1993	3,849,532	570,666	1,427,057	2,312,247	2,744,518	3,295,456
1994	4,033,642	597,475	1,489,242	2,416,392	2,871,670	3,454,078
1995	4,317,506	625,239	1,562,518	2,544,615	3,032,780	3,663,789
1996	4,670,644	655,183	1,645,537	2,685,713	3,207,665	3,897,777
1997	5,112,706	703,631	1,759,461	2,870,353	3,432,828	4,194,699
1998	5,626,390	756,923	1,884,384	3,083,991	3,701,176	4,553,611
1999	6,082,931	792,125	1,983,002	3,257,142	3,916,561	4,846,850
2000	6,601,494	842,686	2,105,584	3,463,195	4,170,537	5,177,058
2001	6,361,523	869,820	2,158,748	3,532,846	4,240,468	5,202,486
2002	6,262,714	879,451	2,170,646	3,550,488	4,257,056	5,204,939
2003	6,429,711	890,624	2,203,193	3,616,066	4,338,310	5,307,129
2004	7,044,141	932,354	2,317,516	3,815,911	4,590,311	5,660,163
2005	7,701,103	971,647	2,422,444	4,006,951	4,837,875	6,022,698
2006	8,365,645	1,025,509	2,567,304	4,264,467	5,163,200	6,465,334
2007	9,048,579	1,085,375	2,724,460	4,545,709	5,515,232	6,927,542
2008	8,657,921	1,083,504	2,720,190	4,540,376	5,500,649	6,855,080
2009	8,001,973	1,063,654	2,643,383	4,405,048	5,324,957	6,569,584

Footnotes at end of table.



# Individual Income Tax Rates and Shares, 2009

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total income tax (millions of current dollars): [3]</b>						
1986	366,763	24,467	89,186	167,901	211,210	273,635
1987	368,924	22,696	85,954	164,874	210,439	279,016
1988	412,549	23,918	92,397	177,429	225,756	300,341
1989	432,643	25,537	99,358	192,414	244,055	325,135
1990	446,906	26,562	103,980	201,050	253,915	336,376
1991	448,177	24,997	103,009	201,432	255,629	340,251
1992	476,067	24,573	103,715	203,706	259,764	348,706
1993	502,638	24,641	105,377	208,400	266,730	360,309
1994	534,693	26,153	110,950	219,783	283,923	384,560
1995	588,292	27,544	117,257	233,864	304,256	414,415
1996	658,059	29,142	125,310	250,333	326,655	449,988
1997	731,123	31,992	136,063	271,450	355,078	492,146
1998	783,437	33,889	139,249	279,860	370,134	520,973
1999	877,199	36,027	147,520	299,294	397,669	569,817
2000	980,459	39,155	160,521	326,304	434,357	624,548
2001	887,770	36,230	155,676	317,341	421,713	595,863
2002	796,763	28,872	132,093	278,827	375,930	537,571
2003	747,800	26,939	123,731	260,143	347,598	499,694
2004	831,815	28,294	129,610	269,723	364,087	534,616
2005	934,524	29,668	134,499	283,305	384,857	575,464
2006	1,023,556	31,796	144,991	305,843	417,680	627,282
2007	1,115,338	33,387	154,109	328,573	449,679	677,801
2008	1,031,252	29,093	145,369	317,549	436,311	652,645
2009	865,523	20,754	115,424	262,810	366,703	559,158
<b>Average tax rate (percentage): [4]</b>						
1986	13.08	5.61	8.32	9.84	10.52	11.51
1987	12.92	5.11	7.71	9.22	9.99	11.20
1988	13.08	5.09	7.83	9.35	10.07	11.25
1989	12.97	5.13	7.94	9.53	10.21	11.41
1990	12.78	5.08	7.91	9.48	10.12	11.24
1991	12.53	4.64	7.62	9.21	9.86	10.98
1992	12.65	4.42	7.44	9.04	9.72	10.87
1993	13.06	4.32	7.38	9.01	9.72	10.93
1994	13.26	4.38	7.45	9.10	9.89	11.13
1995	13.63	4.41	7.50	9.19	10.03	11.31
1996	14.09	4.45	7.62	9.32	10.18	11.54
1997	14.30	4.55	7.73	9.46	10.34	11.73
1998	13.92	4.48	7.39	9.07	10.00	11.44
1999	14.42	4.55	7.44	9.19	10.15	11.76
2000	14.85	4.65	7.62	9.42	10.41	12.06
2001	13.96	4.17	7.21	8.98	9.95	11.45
2002	12.72	3.28	6.09	7.85	8.83	10.33
2003	11.63	3.02	5.62	7.19	8.01	9.42
2004	11.81	3.03	5.59	7.07	7.93	9.45
2005	12.13	3.05	5.55	7.07	7.96	9.55
2006	12.24	3.10	5.65	7.17	8.09	9.70
2007	12.33	3.08	5.66	7.23	8.15	9.78
2008	11.91	2.69	5.34	6.99	7.93	9.52
2009	10.82	1.95	4.37	5.97	6.89	8.51

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2009

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2009—Continued**

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Income share (percentage):</b>						
1986	100.00	15.55	38.24	60.87	71.59	84.76
1987	100.00	15.56	39.02	62.63	73.77	87.26
1988	100.00	14.91	37.44	60.20	71.11	84.63
1989	100.00	14.93	37.51	60.51	71.61	85.40
1990	100.00	14.96	37.60	60.65	71.76	85.57
1991	100.00	15.06	37.80	61.12	72.45	86.62
1992	100.00	14.79	37.03	59.88	71.03	85.21
1993	100.00	14.82	37.07	60.07	71.29	85.61
1994	100.00	14.81	36.92	59.91	71.19	85.63
1995	100.00	14.48	36.19	58.94	70.24	84.86
1996	100.00	14.03	35.23	57.50	68.68	83.45
1997	100.00	13.76	34.41	56.14	67.14	82.04
1998	100.00	13.45	33.49	54.81	65.78	80.93
1999	100.00	13.02	32.60	53.55	64.39	79.68
2000	100.00	12.77	31.90	52.46	63.18	78.42
2001	100.00	13.67	33.93	55.53	66.66	81.78
2002	100.00	14.04	34.66	56.69	67.97	83.11
2003	100.00	13.85	34.27	56.24	67.47	82.54
2004	100.00	13.24	32.90	54.17	65.16	80.35
2005	100.00	12.62	31.46	52.03	62.82	78.21
2006	100.00	12.26	30.69	50.98	61.72	77.28
2007	100.00	12.00	30.11	50.24	60.95	76.56
2008	100.00	12.51	31.42	52.44	63.53	79.18
2009	100.00	13.29	33.03	55.05	66.55	82.10
<b>Total income tax share (percentage):</b>						
1986	100.00	6.67	24.32	45.78	57.59	74.61
1987	100.00	6.15	23.30	44.69	57.04	75.63
1988	100.00	5.80	22.40	43.01	54.72	72.80
1989	100.00	5.90	22.97	44.47	56.41	75.15
1990	100.00	5.94	23.27	44.99	56.82	75.27
1991	100.00	5.58	22.98	44.94	57.04	75.92
1992	100.00	5.16	21.79	42.79	54.56	73.25
1993	100.00	4.90	20.96	41.46	53.07	71.68
1994	100.00	4.89	20.75	41.10	53.10	71.92
1995	100.00	4.68	19.93	39.75	51.72	70.44
1996	100.00	4.43	19.04	38.04	49.64	68.38
1997	100.00	4.38	18.61	37.13	48.57	67.31
1998	100.00	4.33	17.77	35.72	47.24	66.50
1999	100.00	4.11	16.82	34.12	45.33	64.96
2000	100.00	3.99	16.37	33.28	44.30	63.70
2001	100.00	4.08	17.54	35.75	47.50	67.12
2002	100.00	3.62	16.58	34.99	47.18	67.47
2003	100.00	3.60	16.55	34.79	46.48	66.82
2004	100.00	3.40	15.58	32.43	43.77	64.27
2005	100.00	3.17	14.39	30.32	41.18	61.58
2006	100.00	3.11	14.17	29.88	40.81	61.28
2007	100.00	2.99	13.82	29.46	40.32	60.77
2008	100.00	2.82	14.10	30.79	42.31	63.29
2009	100.00	2.40	13.34	30.36	42.37	64.60

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 8. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2009, there were 3,820 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.