

Federal Personal Income Tax Liabilities and Payments for 1959–2002

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The estimates of Federal personal income tax payments for 2001 are revised, and the estimates of Federal personal income tax liabilities and payments for 2002 are new.¹ These estimates incorporate the results of the 2004 annual revision of the national income and product accounts and the newly available tax return data for 2002 from the Internal Revenue Service.

For 2001, personal income tax payments exceeded personal income tax liabilities by \$136.9 billion. This substantial difference was partly accounted for by a slowdown in economic activity and by the enactment of the Economic Growth and Tax Relief Act of 2001 that reduced tax liabilities.²

For 2002, personal income tax payments exceeded personal income tax liabilities by \$31.0 billion. The difference can be partly accounted for by the Job Creation and Worker Assistance Act of 2002, which was signed into law on March 9, 2002.³ This act contained retroactive provisions that resulted in a reduction in tax liabilities for 2002 and an overpayment of taxes for the beginning of 2002. Specifically, these provisions affected the tax liabilities of sole proprietorships, partnerships, and S corporations by the addition of a first-year depreciation deduction on qualified property, by the extension of the “general net operating loss carry-back deduction” from 2 years to 5 years, and by retroactive tax benefits for the area of New York City that was damaged by the terrorist attacks of September 11th, 2001.

1. For a discussion of the payments series, the derivation and the use of the estimates of tax liabilities, and the sources of the differences between liabilities and payments, see Mark A. Ledbetter, “Federal Personal Income Tax Liabilities and Payments,” SURVEY OF CURRENT BUSINESS 84 (June 2004): 17–20.

2. For more on information, see Ledbetter; 18–19.

3. For more information, see the box “Retroactive Provisions of the Job Creation and Worker Assistance Act of 2002,” SURVEY 82 (April 2002): 6.

Federal Personal Income Tax Liabilities and Payments for 1959–2002

[Billions of dollars]

	Federal personal income taxes		
	Liabilities basis	Payments basis ¹	Difference
1959	39.0	38.5	0.5
1960	39.9	41.8	-1.9
1961	42.7	42.7	0.0
1962	45.4	46.5	-1.1
1963	48.8	49.1	-0.3
1964	47.8	46.0	1.8
1965	50.2	51.1	-0.9
1966	56.8	58.6	-1.8
1967	63.7	64.4	-0.7
1968	77.5	76.4	1.1
1969	87.4	91.7	-4.3
1970	84.5	88.9	-4.4
1971	86.1	85.8	0.3
1972	94.3	102.8	-8.5
1973	108.9	109.6	-0.7
1974	124.4	126.5	-2.1
1975	117.3	120.7	-3.4
1976	142.8	141.2	1.6
1977	161.0	162.2	-1.2
1978	189.6	188.9	0.7
1979	216.1	224.6	-8.5
1980	252.3	250.0	2.3
1981	286.7	290.6	-3.9
1982	280.2	295.0	-14.8
1983	277.8	286.2	-8.4
1984	306.7	301.4	5.3
1985	331.5	336.0	-4.5
1986	374.9	350.1	24.8
1987	378.7	392.5	-13.8
1988	422.0	402.9	19.1
1989	440.1	451.5	-11.4
1990	453.4	470.2	-16.8
1991	455.4	461.3	-5.9
1992	483.1	475.3	7.8
1993	508.5	505.5	3.0
1994	540.3	542.7	-2.4
1995	592.9	586.0	6.9
1996	664.5	663.4	1.1
1997	742.5	744.3	-1.8
1998	800.5	825.8	-25.3
1999	892.4	893.0	-0.6
2000	994.2	999.1	-4.9
2001	857.6	994.5	-136.9
2002	800.2	831.2	-31.0

1. This series is presented in NIPA table 3.2.