

Flow-through Income and Individual Income Taxes, 2006

	Taxpayers with Flow-through income/loss		Flow-through income/loss*		Tax on Flow-through income/loss*	
	\$millions	%	\$billions	%	\$billions	%
<u>All Flow-through income</u>						
All taxpayers	27.5	100%	938	100%	159	100%
Top 2 tax brackets	2.1	8%	671	72%	131	82%
Top tax bracket	1	4%	573	61%	113	71%
<u>Active, positive flow-through income</u>						
All taxpayers	18.3	100%	762	100%	145	100%
Top 2 tax brackets	1.4	7%	433	57%	109	75%
Top tax bracket	0.7	4%	349	46%	92	64%
<u>Flow-through income > 50% wages</u>						
All taxpayers	11.9	100%	880	100%	156	100%
Top 2 tax brackets	1.1	9%	608	69%	127	81%
Top tax bracket	0.6	5%	527	60%	110	70%

* = "Flow-through income/loss" includes net ordinary income from sole proprietorships, S corporations, and partnerships plus net long-term and short-term gains from partnerships, S corporations, estates, and trusts.

Source: U.S. Department of the Treasury, Office of Tax Analysis - analysis of unpublished IRS data.