

A
CBO
PAPER

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U.S. Individual Income Tax Return
Form 1040
For the year ending Dec 31, 2003

AUGUST 2004

Effective Federal Tax Rates Under Current Law, 2001 to 2014

OMB No. 1545-0074

Table 1. Tax Provisions Enacted in Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, and the Jobs and Growth Tax Relief Reconciliation Act of 2003, by Year, Pre-2001 Through 2011

Description	Pre-EGTRRA	Tax Rates and Brackets																			
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011									
10 Percent Tax Bracket	n.a.																				
15 Percent Tax Bracket	Indexed																				
Higher Tax Brackets (Percent)		39.6	39.1	38.6	35 (38.6)	33 (35)	30 (34)	28 (30)	25 (27)	35 (37.6)	33 (34)	28 (29)	25 (26)								
Rate on Capital Gains																					
Rate on Dividends																					
Change in Limitations																					
Child Credit	\$500, with limited refundability	\$600	\$1,000 (\$600)																		
Dependent Care Credit	Maximum expenditure eligible for credit = \$2,400 for one child and \$4,800 for two or more; maximum credit = 20 percent to 30 percent of expenditures																				

For the year ending Dec 31, 2003

Your first name and initial

If a joint return spouse's first name

Home address number and street

City town or post office state

Apartment no

Important: You must enter your SSN (s) above

Filing Status

Check only one box.

Exemptions

6a Yourself. If your parent (or someone else) is filing a return, do not check this box.

6b Spouse

6c Dependent

Adjusted Gross Income

33 Add lines 23 through 32a

34 Subtract line 33 from line 22. This is your adjusted gross income

For Disclosure Privacy Act and Paperwork Reduction Act Notice see page 77

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Form 1040 2003



Effective Federal Tax Rates Under Current Law, 2001 to 2014

August 2004

Note

Table B-2, "Effective Federal Tax Rates and Shares Under Current Tax Law Excluding Provisions Affecting Partial Expensing of Investment and Net Operating Losses, Based on 2001 Incomes, by Income Category, 2001 to 2014," was added to this report on August 18, 2004.



Preface

This Congressional Budget Office (CBO) paper, prepared at the request of the Ranking Members of the Senate Budget Committee, the Senate Finance Committee, the House Budget Committee, the House Ways and Means Committee, and the Joint Economic Committee, examines how effective federal tax rates will change over the coming decade under current law—that is, if the provisions of tax laws enacted in 2001, 2002, and 2003 phase in, phase out, and “sunset” as scheduled. The paper uses the same methodology that CBO employed in its earlier estimates of effective tax rates, most recently in *Effective Federal Tax Rates, 1997 to 2000* (August 2003) and *Effective Federal Tax Rates: 1979-2001* (April 2004).

Under current law and the assumption that incomes grow at a constant rate, the overall effective federal tax rate drops from 21.5 percent in 2001 to 19.6 percent in 2004. It then rises irregularly over the subsequent decade as tax provisions phase in and out. In particular, the rate jumps to 21.4 percent in 2005 with the expiration of most provisions of the 2003 tax law, climbs slowly over the succeeding five years to 22.1 percent in 2010, jumps again to 23.6 percent in 2011 following the sunset of the 2001 tax law, and then rises again to 24.1 percent in 2014. The increases in the effective tax rate between 2005 and 2010 and between 2011 and 2014 occur primarily because rising real incomes move taxpayers into higher tax brackets and the alternative minimum tax affects more taxpayers over time.

Although the basic analysis of this paper takes actual incomes in 2001 as its starting point, it tests the effect of that choice of a starting point by also beginning with the higher incomes of 2000. The difference has only a small effect on the findings, most of which is attributable to the different levels of capital gains realized in those two years. Because realized gains in 2001 were closer to their historical average (measured relative to national income), tax rates based on incomes that year may more accurately represent the impact of current tax law over the coming decade.

Ed Harris, David Weiner, and Roberton Williams of CBO’s Tax Analysis Division wrote the paper under the direction of G. Thomas Woodward. John Skeen edited the manuscript, and Christine Bogusz proofread it. Maureen Costantino designed the cover and prepared the report for publication. Lenny Skutnik produced the printed copies, and Annette Kalicki prepared the electronic versions for CBO’s Web site (www.cbo.gov).

Douglas Holtz-Eakin
Director

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Effective Federal Tax Rates Under Current Law, 2001 to 2014

Tax legislation enacted in 2001, 2002, and 2003 is scheduled to phase in, phase out, and “sunset” entirely after 2010. As a result, federal tax rules will differ in every year from 2001 through 2011 and, consequently, so will effective tax rates—which are the total federal taxes that people bear measured as a percentage of their income. Because provisions have different impacts on people with different income and because those provisions change from year to year, effective tax rates fall and rise in patterns that vary over both time and income quintiles (or fifths of the distribution). This analysis of effective federal tax rates from 2002 through 2014 uses data on incomes in 2001, the most recent year for which information is available.

To test the effect of that choice of a starting point—that is, the sensitivity of effective tax rates to the income data on which they are based—the Congressional Budget Office (CBO) also analyzed effective tax rates beginning with the higher incomes of 2000. The choice of a beginning year causes only a small difference in the rates, much of which stems from the fact that realized capital gains were nearly twice as large a fraction of gross domestic product (GDP) in 2000 as in 2001—6.6 percent versus 3.5 percent. Realized gains in 2001 were much closer to their historical average, so tax rates based on incomes that year may more accurately represent the results of current tax law over the coming decade.¹

The analysis reflects the expected changes in tax burdens as measured by applying the tax law in effect in each year to the underlying incomes. It does not reflect any change in revenues that would result from changes in taxpayers’ behavior. For example, the analysis would not capture any change in tax payments that could result if a lower

tax rate on capital gains induced taxpayers to realize more capital gains. Because people who realized additional gains could end up paying more in taxes, including that response by taxpayers could incorrectly suggest that they were worse off as a result of the rate reduction.

Three Tax Laws

Lawmakers enacted three major tax bills between 2001 and 2003. The Economic Growth and Taxpayer Relief Reconciliation Act of 2001 (EGTRRA) lowered rates, increased credits, and offered relief from marriage penalties and from the alternative minimum tax (AMT). The Job Creation and Worker Assistance Act of 2002 (JCWAA) increased depreciation allowances for some property and altered certain provisions concerning operating losses. The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) accelerated some of the provisions in EGTRRA and temporarily raised exemption levels for the AMT. None of the tax provisions in the three laws is permanent, and all of the provisions will expire by 2011. Furthermore, because many provisions phase in and phase out between 2001 and 2010, taxes change in every year through 2011.

The Economic Growth and Tax Relief Reconciliation Act of 2001

EGTRRA lowered individual income taxes for all taxpayers by restructuring tax rates and brackets, increasing the child credit and dependent care credit, providing relief from marriage penalties and the AMT, and increasing the earned income credit (EIC) for married couples (see Table 1). The law created a 10 percent tax bracket and lowered the rates for the top four brackets in four steps between 2001 and 2006. It raised the child credit from \$500 to \$1,000, also in four steps between 2001 and 2010. EGTRRA increased the maximum expenditure eligible for the dependent care credit from \$2,400 to \$3,000 per child, beginning in 2002, and raised the max-

1. Appendix A shows the sensitivity of the results to using 2000 data in place of 2001 data and the significance of the difference in capital gains realizations.

imum credit from 30 percent to 35 percent of eligible expenditures. To ease marriage penalties, the law widened the 15 percent tax bracket for joint filers from 167 percent of the bracket for single filers to twice that bracket in four annual steps beginning in 2005 and increased the standard deduction for joint filers from 167 percent to 200 percent of the standard deduction for single filers in five annual steps between 2005 and 2009. Relief from the AMT resulted from increasing the income exemption by \$4,000 for joint filers and \$2,000 for single filers for 2001 through 2004. EGTRRA removed the limitation on itemized deductions and on personal exemptions in three steps between 2006 and 2010. Finally, the law increased the EIC for married couples. Specifically, in each of 2002, 2005, and 2008, the income range over which benefits phase out is shifted up by \$1,000; in 2009 and 2010, the final value is indexed for inflation. All of those provisions sunset in 2011, and the provisions of individual income tax law return to those in effect before 2001.²

The Job Creation and Worker Assistance Act of 2002

JCWAA provided for a depreciation deduction of 30 percent of the adjusted basis for certain property for the tax year in which it was placed in service. That deduction is on top of any depreciation deduction for which that property already qualified. The additional deduction applies only to property purchased (or on which construction was begun) after September 10, 2001, and before September 11, 2004, and put into use before January 1, 2005. The law also raised from two years to five years the period over which taxpayers can claim net operating losses incurred in 2001 or 2002 to recalculate taxes owed for previous years.³

The Jobs and Growth Tax Relief Reconciliation Act of 2003

JGTRRA accelerated the pace at which provisions of EGTRRA phase in, reduced taxes on capital gains and qualified dividends, raised the AMT exemption, and increased first-year depreciation deductions (see the shaded

portions of Table 1). The provisions of JGTRRA all sunset by 2009. Specifically, the law broadened the 10 percent tax bracket for 2003 and 2004 and, starting in 2003, lowered the tax rates for the top four brackets to the levels that EGTRRA had set to begin in 2006. It also raised the child credit to \$1,000 for 2003 and 2004 (when it would have been \$600 under EGTRRA). JGTRRA widened the 15 percent tax bracket for joint filers in 2003 and 2004 to twice that for single filers and set the standard deduction for joint filers equal to double that for single filers for those years. The legislation raised the AMT exemption for 2003 and 2004 to \$58,000 for joint filers and \$40,250 for single filers, higher than the levels set in EGTRRA by \$9,000 and \$4,500, respectively. For 2003 through 2008, the law lowered the tax rate for capital gains and for qualified dividends from 20 percent to 15 percent for taxpayers above the 15 percent bracket and from 10 percent to 5 percent (and to zero in 2008) for taxpayers in lower brackets. Finally, JGTRRA increased the first-year depreciation created by JCWAA to 50 percent for property acquired between May 5, 2003, and the end of 2004 and raised to \$100,000 the maximum deduction under section 179 of the Internal Revenue Code for property placed into service over the 2003-2005 period.

Measuring Effective Tax Rates

This analysis uses the same methodology that CBO employed for its earlier reports on effective tax rates.⁴ CBO combines data from the Internal Revenue Service's Statistics of Income and the Census Bureau's Current Population Survey, classifies and ranks households into percentiles based on adjusted comprehensive household income, and simulates individual income tax liabilities. The income measure used includes pretax cash income plus income from other sources. Pretax cash income includes wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits; taxes paid by businesses (corporate income taxes and employers' shares of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contri-

2. EGTRRA also expanded various education incentives and tax benefits for retirement saving and reduced the estate tax in stages between 2001 and 2009 before repealing that tax in 2010. As with all other provisions in the law, those changes expire in 2011.

3. That provision, known as the net operating loss carryback, was temporarily modified in other small ways as well. JCWAA also extended unemployment benefits, established special tax benefits for parts of New York City damaged on September 11, 2001, and provided other minor tax benefits.

4. For detailed discussions of the basic methodology, see Congressional Budget Office, *Effective Federal Tax Rates: 1979-1997* (October 2001) and *Effective Federal Tax Rates, 1997 to 2000* (August 2003). An April 2004 update, *Effective Federal Tax Rates: 1979-2001* (available only on the CBO Web site at www.cbo.gov) extends the series to 2001.

butions to 401(k) retirement plans. The comprehensive income measure also includes in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Defining Income Categories

Income categories are defined by ranking all people by their comprehensive household income adjusted for the size of the household—that is, divided by the square root of the household’s size. A household consists of the people who share a housing unit, regardless of their relationships. Quintiles—or fifths of the distribution—are created by dividing the entire population into five parts, each containing the same number of people. Because households vary in size, quintiles generally contain unequal numbers of households. Effective tax rates differ markedly among households in the top quintile, so that group is further divided into the top 10 percent, top 5 percent, and top 1 percent for some analyses.⁵ Households with negative income—from business losses, for example—are excluded from the lowest income category but included in the totals (in the tables in this paper). Those households generally differ from other households in the bottom quintile because they typically have significant assets; including their negative income and tax payments would have significantly affected the dollar-weighted results for the bottom quintile.

Calculating Effective Tax Rates

Effective tax rates equal the taxes paid by or imputed to households divided by their pretax income.⁶ For a given segment of the income distribution, the analysis calculates a dollar-weighted average rate as the sum of taxes falling on households in that segment divided by the sum of the pretax incomes of those households. Effective tax rates for individual households may differ substantially from the group average, particularly given the fact that the adjustment for the size of households results in vari-

ous kinds of households with substantially different unadjusted incomes falling in the same income category. As a result, effective tax rates represent the situation not for particular taxpayers but that for groups of taxpayers with similar amounts of adjusted household income.

CBO estimated the effective rates for four federal taxes—individual and corporate income taxes, payroll taxes, and excise taxes—under current law for each year from 2001 through 2014. The estimates for 2001 match CBO’s historical values.⁷

The analysis assigns taxes to households on the basis of who bears the burden of the taxes. In particular, it assumes the following:

- Households bear the burden of all taxes that they pay directly, specifically, individual income taxes and the employee’s share of payroll taxes.
- Households pay excise taxes according to their consumption of taxed goods, such as tobacco and alcohol. In the case of excise taxes on intermediate goods, such as components of consumer goods, households bear the taxes in proportion to their overall consumption.
- The burden of taxes levied on businesses actually falls on households. In line with most economists, CBO assumes that the employer’s share of payroll taxes falls on employees and thus assigns those payments to employees both as income and taxes paid. The analysis assumes that corporate income taxes fall on the owners of capital and allocates those liabilities—again, both as income and as taxes—to households in proportion to their income from interest, dividends, rents, and capital gains.⁸

Because of uncertainty about the incidence of other taxes and some data limitations, the analysis excludes estate and gift taxes, tariffs, and other miscellaneous sources of revenue. It also excludes some of the lesser provisions of EGTRRA, such as those providing education incentives

5. The analysis does not show a comparable subdivision of the lowest quintile because effective tax rates and income are distributed in similar ways for households in different parts of that income group.

6. A person’s effective tax rate is his or her average rate—total taxes paid divided by total income. That rate generally differs from the marginal tax rate, which is the tax paid on the last, or marginal, dollar of income. When people decide how much of a taxed activity they will engage in, such as how many hours they will work, they are reacting to marginal rates, not average rates.

7. Congressional Budget Office, *Effective Federal Tax Rates: 1979-2001* (April 2004).

8. Some economists argue that at least part of the burden of corporate income taxes falls on workers in the form of lower wages. By that view, because those taxes reduce the investment in capital goods, the labor force has less capital with which to work, lowering workers’ productivity and hence their wages.

and tax benefits for retirement saving, because data are not available to estimate their effects among the various income quintiles.

Incorporating Assumptions About the Growth of Incomes

The analysis, based on reported 2001 incomes, assumes that those incomes grow at a constant rate of 4.5 percent per year and that inflation is steady at a 2.2 percent annual rate—assumptions that are consistent with the average growth of GDP and the consumer price index reported in CBO’s January 2004 *Budget and Economic Outlook*.⁹ The analysis assumes that income growth is the same for all sources of income and for households throughout the income distribution. Thus, the share of income going to each quintile does not change over the period examined.¹⁰

Estimating Changes in Tax Law

CBO generally estimated individual income taxes by simulating the applicable provisions of law, adjusted for income growth, on tax returns filed in 2001. The analysis thus does not account for incomes changing in response to the tax cuts. CBO assumed that the reduction in the tax rate on dividends from corporate stock would accrue to the owners of capital in proportion to their income from interest, dividends, rents, and capital gains.¹¹

9. Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2005 to 2014* (January 2004).

10. The analysis simulated taxes over the period by deflating unindexed tax parameters by the nominal annual rate of per capita income growth and deflating indexed parameters by the real annual rate of per capita income growth. Applying those adjusted tax parameters to fixed 2001 incomes yields the same effective tax rates that taxpayers would face if incomes grew at a constant rate of 4.5 percent per year, inflation was 2.2 percent per year, and the tax system was indexed for inflation as called for under current law. The calculated shares of taxes paid by different categories of taxpayers are also identical under both approaches.

11. The reduction in the rate on corporate dividends is analogous to a reduction in the corporate tax rate, so CBO allocated it using the same methods that it employed to apportion corporate income taxes. As with the other tax changes, the analysis does not account for any change in behavior and measures the tax effect against the level of dividends received in 2001. The amount of dividends paid by corporations and held by taxable investors might rise as a result of the lower tax rate on dividend income.

As described, JCWAA and JGTRRA both include more generous depreciation allowances for businesses, and JCWAA changed the rules for use of net operating losses. CBO assumed that those provisions would cause a drop in revenues equal to the amount estimated by the Joint Committee on Taxation at the time of their enactment.¹² CBO adjusted that change in revenues to align with the underlying 2001 level of income, using the expected growth in income in the absence of those legislative changes. CBO then divided the resulting estimated tax benefits between corporate income taxes and individual income taxes—allocating the corporate portion to taxpayers in proportion to their income from capital (as done with corporate income taxes) and allocating the individual income tax portion among taxpayers in proportion to their shares of total income taxes paid on noncorporate business income.

The effects of the changes to partial expensing occur across years. The provisions shift the deductibility of depreciation of business assets in time: businesses can claim more depreciation during the 2002-2005 period and consequently cannot claim as much depreciation in later years. That shifting decreases taxes in the near term but increases them in subsequent years. The provision extending the period for claiming net operating losses also shifts some deductions to earlier years, offsetting effects in later years. Because tax changes for a given year reflect only that year’s impact and ignore any offsetting effects that occur in other years, no single year conveys completely the full effects of the provisions.¹³

Effective Tax Rates in Future Years Under Current Tax Law

Under current law—and the assumption that incomes grow at a constant rate between 2001 and 2014—the total effective federal tax rate for all taxpayers drops from 21.5 percent in 2001 to 19.6 percent in 2004 before reversing course and climbing over the next decade (see the

12. See Joint Committee on Taxation, *Estimated Revenue Effects of the Job Creation and Worker Assistance Act of 2002*, JCX-13-02 (March 6, 2002); and *Estimated Budget Effects of the Conference Agreement for H.R. 2, The Jobs and Growth Tax Relief Reconciliation Act of 2003*, JCX-55-03 (May 22, 2003).

13. Appendix B shows the separate effects of the provisions concerning expensing and net operating losses on effective tax rates. Most of the impact is on taxpayers in the top income quintile from 2002 through 2008.

top panel in Table 2). From the 2004 low of 19.6 percent, the overall effective tax rate jumps to 21.4 percent in 2005 as most features of JGTRRA and JCWAA disappear—decreasing the child credit, lessening the relief from marriage penalties, and raising the AMT. The effective rate climbs slowly over the next five years, to 22.1 percent in 2010, primarily because the unindexed AMT affects more and more people and the growth of real incomes pushes taxpayers into higher tax brackets. The effective tax rate takes another jump to 23.6 percent in 2011 after EGTRRA sunsets and thereafter resumes its slow climb driven by continued real income growth and the widening reach of the AMT (by 2014, nearly 22 million taxpayers will be subject to the alternative tax). Overall, then, under current law, the effective federal tax rate will increase from 21.5 percent in 2001 to 24.1 percent in 2014. Because tax legislation enacted since 2001 focuses primarily on the individual income tax, the pattern of changes for the total effective tax rate over the 2001-2014 period derives almost entirely from changes in the effective individual income tax rate (see the second panel in Table 2).

The pattern of changes in the effective federal tax rate for all taxpayers is repeated for each income quintile and the top income percentiles, albeit with slightly different turning points and different degrees of change between 2001 and 2014 (see Table 2). For the bottom four quintiles, the effective individual income tax rate turns upward in 2004, a year ahead of the rise for the top quintile. All quintiles experience a jump in their overall effective tax rate in 2011 following the expiration of EGTRRA. They also all have a higher effective rate in 2014 than in 2001. For example, the effective rate for the lowest quintile increases from 5.4 percent in 2001 to 8.3 percent in 2014; in contrast, the rate for the top quintile climbs from 26.8 percent to 28.8 percent and that for the top 1 percent of taxpayers rises from 33.0 percent to 33.6 percent over the same period.

The differential increase in effective tax rates among quintiles is reflected in a shift down the income distribution in shares of taxes paid (see the third and fourth panels of Table 2). The share of taxes paid by the top quintile falls from 65.3 percent in 2001 to 62.8 percent in 2014, even though that group's share of income does not change. Four-fifths of that decline occurs for the top 1

percent of taxpayers, whose share falls by 2 percentage points, to 20.7 percent of federal taxes in 2014. The share of taxes paid by each of the middle three quintiles climbs by about 0.7 percentage points.

Changes in tax law explain much of the expected changes in effective tax rates, but as previously noted, effective tax rates would change over time even in the absence of changes in the law. Real income growth increases effective tax rates over time because the individual income tax is indexed not for the rise in real income but, rather, only for inflation or not at all. Separating the effects of changes in the law and income growth requires calculating the changes in rates that would result from income growth alone. This analysis accomplishes that by calculating effective tax rates for each year under the provisions of 2000 tax law as a point of comparison. For example, under that scenario, the overall effective tax rate would have been expected to rise by 1.2 percentage points, from 22.2 percent in 2001 to 23.4 percent in 2010 (see Table 3). In contrast, using the tax provisions that will apply in each year under current law, which yields the combined effect of changing law and income, the effective tax rate increases by 0.6 percentage points, from 21.5 percent to 22.1 percent, over the same period (see Table 3). Thus, changes in tax law reduce the expected increase in the overall effective rate between 2001 and 2010 by about half.

Relative to the situation in 2000, the three major tax laws enacted between 2001 and 2003—EGTRRA, JCWAA, and JGTRRA—reduce effective federal tax rates for each quintile in every year from 2001 through 2010. For all but the lowest quintile, the reduction is greatest in 2004, when all three tax laws are in effect. Effective tax rates in 2004 are lower than those under 2000 law by 1.5 percentage points for the lowest quintile, 3.9 percentage points for the highest quintile, and 6.8 percentage points for the top 1 percent of taxpayers (see Table 4). With the expiration of most provisions of JCWAA and JGTRRA in 2005, the reduction lessens but then is partially restored in 2008 for the top quintile and in 2010 for the bottom four quintiles. With the sunset of EGTRRA in 2010, federal tax law reverts in most respects to that in effect in 2000, and by 2014, effective tax rates for all income quintiles return to the levels obtained under 2000 law.

The AMT grows in importance over the next decade, but its impact differs among income quintiles and under different tax law.¹⁴ The AMT raises effective rates above what they would be in its absence, with the largest effects in the fourth and fifth quintiles. Over time, the AMT reaches down the income distribution, slightly increasing effective rates as far down as the second quintile by 2010. The AMT interacts with regular income taxes, having a greater impact when they are lower. The differences between tax rates under current law and tax rates under

2000 law are therefore smaller than they would be without the AMT: for all taxpayers, the AMT lowers those differences by 0.2 percentage points in 2005 and 0.6 percentage points in 2010 (see Table 5). The effect is greatest in the highest quintile, where the AMT reduces the difference between the effective tax rate under current tax law and that under 2000 law by 1 percentage point in 2010. The impact on the fourth quintile is roughly half as large, and the bottom three quintiles are virtually unaffected. Within the top quintile, the AMT affects the top percentile of taxpayers less than other households because those taxpayers face high regular tax rates that exceed AMT rates.

14. For further discussion of the AMT and its effects, see Congressional Budget Office, *The Alternative Minimum Tax* (April 2004).

Table 1.

Tax Provisions Enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, and the Jobs and Growth Tax Relief Reconciliation Act of 2003, by Year, Pre-2001 Through 2011

Description	Pre-EGTRRA	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Tax Rates and Brackets													
10 Percent Tax Bracket	n.a.	Single filers may have income of up to \$6,000; joint filers, \$12,000; and heads of household, \$10,000	Single filers, up to \$7,000; joint filers, \$14,000; and heads of household \$10,000; indexed in 2004 (\$6,000;\$12,000;\$10,000)	Single filers, up to \$6,000; joint filers, \$12,000; heads of household, \$10,000	Single filers, up to \$7,000; joint filers, \$14,000; heads of household, \$10,000	Upper threshold indexed; lower threshold fixed by 10 percent bracket	Upper and lower thresholds indexed	Sunset*					
15 Percent Tax Bracket	Indexed	Upper threshold indexed; lower threshold fixed by 10 percent bracket											
Higher Tax Brackets (Percent)	39.6	39.1	38.6	35 (38.6)	35 (37.6)	35	33 (34)	33	28 (29)	28	25 (26)	25	Sunset*
Rate on Capital Gains	10 percent for taxpayers in the 15 percent bracket or below; 20 percent for other taxpayers	10 percent for taxpayers in the 15 percent bracket or below; 20 percent for other taxpayers	10 percent for taxpayers in the 15 percent bracket or below; 20 percent for other taxpayers	After May 6, 2003, 5 percent for taxpayers in the 15 percent bracket or below--and 0 in 2008; 15 percent for other taxpayers (10 percent; 20 percent)	5 percent for taxpayers in the 15 percent bracket or below--and 0 in 2008; 15 percent for other taxpayers (Ordinary rates)	Sunset*							
Rate on Dividends	Ordinary rates	Ordinary rates	Ordinary rates	5 percent for taxpayers in the 15 percent bracket or below--and 0 in 2008; 15 percent for other taxpayers (Ordinary rates)	5 percent for taxpayers in the 15 percent bracket or below--and 0 in 2008; 15 percent for other taxpayers (Ordinary rates)	Sunset*							
Limitations on Itemized Deductions and Personal Exemptions for High-Income Filers													
Change in Limitations	No change	No change	Limits reduced by one-third	Limits reduced by two-thirds	No limits	Sunset*							
Child Credit and Dependent Care Credit													
Child Credit	\$500, with limited refundability	\$600	\$1,000 (\$600)	\$700	\$800	\$1,000	Sunset*						
Dependent Care Credit	Maximum expenditure eligible for credit = \$2,400 for one child and \$4,800 for two or more; maximum credit = 20 percent to 30 percent of expenditures	Maximum of \$3,000 of eligible expenses for one child; \$6,000 for two or more children Maximum credit of 35 percent, phasing down to 20 percent beginning at \$15,000 in adjusted gross income	Refundable up to 10 percent of earned income above \$10,000; threshold indexed after 2001	Refundable up to 15 percent of earned income above \$10,000; threshold indexed after 2001	Sunset*								

Relief from Marriage Penalties									
Standard Deduction for Joint Filers	Standard deduction for joint filers = 167 percent of that for single filers	200 percent of that for single filers (167 percent)	174 percent of that for single filers	184 percent of that for single filers	187 percent of that for single filers	190 percent of that for single filers	200 percent of that for single filers	Sunset*	
15 Percent Bracket for Joint Filers	Upper threshold of bracket for those who are married filing jointly = 167 percent of the top of the bracket for single filers	200 percent of that for single filers (167 percent)	180 percent of that for single filers	187 percent of that for single filers	193 percent of that for single filers	200 percent of that for single filers	200 percent of that for single filers	Sunset*	
Earned Income Credit for Joint Filers	Level of income at which the earned income credit starts to phase out is indexed; end of phaseout depends on number of children	Starting point and ending point of phaseout are increased by \$1,000	Starting point and ending point of phaseout are increased by \$2,000		Starting point and ending point of phaseout are increased by \$3,000		Starting point and ending point are increased by \$3,000; indexed from 2008	Sunset*	
Relief from the Alternative Minimum Tax									
Exemption for the Alternative Minimum Tax	\$33,750 for single filers; \$45,000 for joint filers	\$40,250 for single filers; \$58,000 for joint filers (\$35,750; \$49,000)	Sunset*						
Partial Expensing of Investment in Qualified Property									
Depreciation Deduction of Basis of Qualified Property	No additional depreciation	30 percent of basis deductible in first year	Sunset*						

Source: Congressional Budget Office based on Joint Committee on Taxation, *Summary of Provisions Contained in the Conference Agreement for H.R. 1836, The Economic Growth and Tax Relief Reconciliation Act of 2001*, JCX-50-01 (May 26, 2001); *Summary of PL. 107-147, The Job Creation and Worker Assistance Act of 2002*, JCX-22-02 (March 22, 2002); and *Summary of Conference Agreement on H.R. 2, The Jobs and Growth Tax Relief Reconciliation Act of 2003*, JCX-54-03 (May 22, 2003).

Notes: EGTRAA = Economic Growth and Tax Relief Reconciliation Act of 2001; n.a. = not applicable.

Lightly shaded area indicates a change made by the Job Creation and Worker Assistance Act of 2002.

Darkly shaded areas indicate changes made by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Parentetical values in those areas are those set by EGTRRA.

* = Provision returns to pre-EGTRRA levels.

Table 2.**Effective Federal Tax Rates and Shares Under Current Tax Law, Based on 2001 Incomes, by Income Category, 2001 to 2014**

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Effective Federal Tax Rate														
Lowest Quintile	5.4	5.3	5.2	5.2	5.5	5.6	5.7	5.8	5.9	5.8	7.8	8.0	8.1	8.3
Second Quintile	11.6	11.6	11.0	11.1	12.0	12.1	12.3	12.4	12.4	12.3	14.2	14.4	14.5	14.7
Middle Quintile	15.2	15.0	14.5	14.6	15.6	15.7	15.9	15.9	16.1	16.1	17.6	17.8	18.0	18.2
Fourth Quintile	19.3	19.1	18.5	18.5	19.6	19.8	20.0	20.1	20.4	20.5	21.8	22.0	22.2	22.4
Highest Quintile	26.8	25.4	24.4	23.8	26.3	26.5	26.5	26.4	27.1	27.1	28.5	28.6	28.7	28.8
All Quintiles	21.5	20.7	19.9	19.6	21.4	21.6	21.7	21.7	22.1	22.1	23.6	23.8	23.9	24.1
Top 10 Percent	28.6	26.7	25.7	24.9	27.8	28.0	28.0	27.9	28.6	28.5	30.1	30.2	30.2	30.3
Top 5 Percent	30.1	27.7	26.7	25.6	29.0	29.3	29.2	29.0	29.8	29.7	31.5	31.5	31.5	31.6
Top 1 Percent	33.0	29.6	28.4	26.7	31.1	31.2	30.9	30.4	31.6	31.2	33.8	33.7	33.7	33.6
Effective Individual Income Tax Rate														
Lowest Quintile	-5.6	-5.6	-5.8	-5.7	-5.6	-5.4	-5.3	-5.2	-5.2	-5.2	-3.2	-3.0	-2.9	-2.7
Second Quintile	0.3	0.4	-0.2	-0.1	0.6	0.8	1.0	1.0	1.1	1.0	2.9	3.1	3.2	3.4
Middle Quintile	3.8	3.9	3.3	3.5	4.1	4.3	4.5	4.5	4.7	4.8	6.3	6.5	6.7	6.9
Fourth Quintile	7.2	7.3	6.5	6.6	7.5	7.7	7.9	8.0	8.3	8.4	9.7	9.9	10.1	10.3
Highest Quintile	16.3	15.8	14.4	14.2	15.4	15.6	15.7	15.7	16.4	16.5	17.9	18.0	18.2	18.3
All Quintiles	10.4	10.2	9.1	9.0	10.0	10.2	10.4	10.4	10.8	10.9	12.4	12.6	12.7	12.9
Top 10 Percent	18.7	18.0	16.4	16.0	17.5	17.6	17.7	17.6	18.4	18.5	20.1	20.2	20.3	20.4
Top 5 Percent	20.8	19.9	18.2	17.6	19.2	19.3	19.4	19.2	20.2	20.1	22.0	22.1	22.1	22.2
Top 1 Percent	24.1	22.8	20.7	19.7	21.4	21.3	21.3	20.9	22.3	22.0	24.7	24.7	24.7	24.7
Share of Total Federal Tax Liabilities														
Lowest Quintile	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.4	1.4	1.4	1.5
Second Quintile	5.0	5.1	5.1	5.2	5.1	5.2	5.2	5.2	5.2	5.1	5.5	5.6	5.6	5.6
Middle Quintile	10.0	10.3	10.4	10.5	10.3	10.3	10.4	10.4	10.3	10.3	10.6	10.6	10.7	10.7
Fourth Quintile	18.5	19.1	19.2	19.5	19.0	19.0	19.1	19.2	19.1	19.2	19.1	19.1	19.2	19.2
Highest Quintile	65.3	64.2	64.1	63.5	64.3	64.2	64.0	63.8	64.1	64.1	63.2	63.1	62.9	62.8
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	50.0	48.5	48.5	47.6	48.8	48.7	48.5	48.3	48.6	48.5	47.9	47.7	47.6	47.4
Top 5 Percent	38.5	36.9	36.9	35.9	37.3	37.3	37.0	36.7	37.1	36.9	36.6	36.5	36.3	36.1
Top 1 Percent	22.7	21.2	21.1	20.1	21.5	21.3	21.1	20.7	21.1	20.8	21.2	21.0	20.8	20.7

Continued

Table 2.**Continued**

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Share of Individual Income Tax Liabilities														
Lowest Quintile	-2.3	-2.3	-2.7	-2.7	-2.3	-2.3	-2.2	-2.1	-2.0	-2.0	-1.1	-1.0	-1.0	-0.9
Second Quintile	0.3	0.4	-0.2	-0.1	0.6	0.7	0.9	0.9	0.9	0.8	2.2	2.3	2.3	2.4
Middle Quintile	5.2	5.5	5.2	5.4	5.9	6.0	6.1	6.2	6.2	6.2	7.2	7.3	7.4	7.6
Fourth Quintile	14.3	14.8	14.8	15.2	15.4	15.5	15.7	15.9	15.7	15.9	16.1	16.3	16.4	16.5
Highest Quintile	82.5	81.7	83.0	82.1	80.6	80.0	79.5	79.1	79.2	79.1	75.6	75.2	74.8	74.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	67.7	66.6	67.9	66.7	65.3	64.8	64.2	63.7	63.9	63.7	60.8	60.3	59.9	59.5
Top 5 Percent	55.2	54.0	55.1	53.7	52.6	52.1	51.5	50.9	51.3	50.8	48.7	48.3	47.9	47.4
Top 1 Percent	34.4	33.3	33.6	32.3	31.6	31.0	30.4	29.8	30.3	29.9	29.4	29.0	28.7	28.3

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

The income measure, comprehensive household income, comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in the totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for the size of the household—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are generally distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

The calculations of income taxes from 2002 through 2014 are based on the assumption that inflation is 2.2 percent per year and that nominal incomes grow at 4.5 percent per year. Most changes to individual income taxes are estimated by simulating the effects of applicable law on 2001 incomes. The reduced tax rate on dividends is allocated to households according to their share of capital income. The estimated effects of partial expensing are allocated to taxpayers on the basis of capital income and noncorporate business income. See the text for further detail.

Table 3.**Effective Federal Tax Rates and Shares Under 2000 Tax Law, Based on 2001 Incomes, by Income Category, 2001 to 2014**

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Effective Federal Tax Rate														
Lowest Quintile	6.2	6.4	6.5	6.7	6.8	7.0	7.2	7.3	7.5	7.6	7.8	8.0	8.1	8.3
Second Quintile	12.8	12.9	13.1	13.2	13.3	13.5	13.6	13.8	13.9	14.0	14.2	14.4	14.5	14.7
Middle Quintile	16.1	16.3	16.4	16.5	16.6	16.8	16.9	17.1	17.2	17.4	17.6	17.8	18.0	18.2
Fourth Quintile	20.1	20.3	20.4	20.6	20.7	20.9	21.1	21.2	21.4	21.6	21.8	22.0	22.2	22.4
Highest Quintile	27.3	27.4	27.5	27.6	27.7	27.8	28.0	28.1	28.2	28.3	28.4	28.5	28.7	28.8
All Quintiles	22.2	22.4	22.5	22.6	22.7	22.9	23.0	23.1	23.3	23.4	23.6	23.7	23.9	24.1
Top 10 Percent	29.0	29.1	29.2	29.3	29.4	29.5	29.6	29.7	29.8	29.9	30.0	30.1	30.2	30.3
Top 5 Percent	30.5	30.6	30.7	30.8	30.8	30.9	31.0	31.1	31.1	31.2	31.3	31.4	31.5	31.6
Top 1 Percent	33.4	33.4	33.4	33.4	33.5	33.5	33.5	33.5	33.5	33.6	33.6	33.6	33.6	33.6
Effective Individual Income Tax Rate														
Lowest Quintile	-4.8	-4.6	-4.4	-4.3	-4.2	-4.0	-3.8	-3.7	-3.5	-3.4	-3.2	-3.0	-2.9	-2.7
Second Quintile	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.5	2.6	2.7	2.9	3.1	3.2	3.4
Middle Quintile	4.8	4.9	5.0	5.2	5.3	5.4	5.6	5.7	5.9	6.1	6.3	6.5	6.7	6.9
Fourth Quintile	8.0	8.2	8.3	8.5	8.6	8.8	9.0	9.1	9.3	9.5	9.7	9.9	10.1	10.3
Highest Quintile	16.8	16.9	17.0	17.1	17.2	17.3	17.4	17.6	17.7	17.8	17.9	18.0	18.1	18.3
All Quintiles	11.1	11.2	11.3	11.5	11.6	11.7	11.8	12.0	12.1	12.3	12.4	12.6	12.7	12.9
Top 10 Percent	19.1	19.2	19.3	19.4	19.4	19.5	19.6	19.7	19.8	19.9	20.0	20.2	20.3	20.4
Top 5 Percent	21.2	21.2	21.3	21.4	21.5	21.5	21.6	21.7	21.8	21.9	21.9	22.0	22.1	22.2
Top 1 Percent	24.4	24.4	24.4	24.5	24.5	24.5	24.5	24.6	24.6	24.6	24.6	24.6	24.6	24.7
Share of Total Federal Tax Liabilities														
Lowest Quintile	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5
Second Quintile	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.5	5.5	5.5	5.6	5.6	5.6
Middle Quintile	10.3	10.3	10.3	10.4	10.4	10.4	10.4	10.5	10.5	10.5	10.6	10.7	10.7	10.7
Fourth Quintile	18.7	18.7	18.8	18.8	18.8	18.9	18.9	19.0	19.0	19.1	19.1	19.2	19.2	19.2
Highest Quintile	64.4	64.3	64.2	64.0	64.0	63.8	63.7	63.6	63.4	63.3	63.2	63.0	62.9	62.8
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	49.1	48.9	48.8	48.7	48.6	48.5	48.4	48.2	48.1	48.0	47.8	47.7	47.6	47.4
Top 5 Percent	37.8	37.6	37.5	37.4	37.3	37.2	37.1	36.9	36.8	36.7	36.5	36.4	36.3	36.1
Top 1 Percent	22.2	22.1	22.0	21.9	21.8	21.7	21.5	21.4	21.3	21.2	21.1	20.9	20.8	20.7
Share of Individual Income Tax Liabilities														
Lowest Quintile	-1.8	-1.7	-1.7	-1.6	-1.5	-1.4	-1.4	-1.3	-1.2	-1.2	-1.1	-1.0	-1.0	-0.9
Second Quintile	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.0	2.2	2.3	2.3	2.4
Middle Quintile	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.9	7.0	7.2	7.3	7.4	7.6
Fourth Quintile	14.9	15.1	15.2	15.3	15.4	15.5	15.7	15.8	15.9	16.0	16.2	16.3	16.4	16.5
Highest Quintile	79.5	79.1	78.7	78.4	78.1	77.6	77.2	76.8	76.4	76.0	75.6	75.2	74.8	74.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	64.8	64.3	63.9	63.5	63.2	62.8	62.4	61.9	61.5	61.2	60.7	60.3	59.9	59.5
Top 5 Percent	52.6	52.1	51.8	51.4	51.1	50.7	50.3	49.9	49.5	49.1	48.7	48.2	47.9	47.4
Top 1 Percent	32.6	32.2	31.9	31.6	31.4	31.0	30.7	30.3	30.0	29.7	29.3	29.0	28.7	28.3

Source: Congressional Budget Office.

Note: The notes that appear in Table 2 also apply to this table.

Table 4.**Differences in Effective Federal Tax Rates and Shares Under Current Law and 2000 Law, Based on 2001 Incomes, by Income Category, 2001 to 2014**

(Percentage points)														
Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in Total Effective Federal Tax Rate														
Lowest Quintile	-0.8	-1.1	-1.4	-1.5	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	*	*	*	0
Second Quintile	-1.1	-1.3	-2.1	-2.1	-1.3	-1.3	-1.3	-1.4	-1.5	-1.7	*	*	*	0
Middle Quintile	-1.0	-1.3	-1.8	-1.9	-1.0	-1.0	-1.0	-1.1	-1.1	-1.3	*	*	*	0
Fourth Quintile	-0.8	-1.1	-1.9	-2.1	-1.1	-1.0	-1.0	-1.1	-1.0	-1.1	*	*	*	0
Highest Quintile	-0.5	-2.1	-3.1	-3.9	-1.5	-1.4	-1.4	-1.6	-1.1	-1.2	0.1	0.1	*	0
All Quintiles	-0.7	-1.7	-2.6	-3.0	-1.3	-1.3	-1.3	-1.4	-1.2	-1.3	0.1	*	*	0
Top 10 Percent	-0.4	-2.4	-3.5	-4.5	-1.6	-1.5	-1.6	-1.8	-1.2	-1.3	0.1	0.1	*	0
Top 5 Percent	-0.4	-2.9	-3.9	-5.2	-1.8	-1.7	-1.8	-2.1	-1.3	-1.6	0.2	0.1	*	0
Top 1 Percent	-0.3	-3.8	-5.0	-6.8	-2.4	-2.3	-2.6	-3.1	-2.0	-2.4	0.2	0.1	*	0
Change in Effective Individual Income Tax Rate														
Lowest Quintile	-0.8	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	*	*	*	0
Second Quintile	-1.1	-1.2	-2.0	-2.0	-1.4	-1.4	-1.3	-1.4	-1.5	-1.8	*	*	*	0
Middle Quintile	-1.0	-1.0	-1.7	-1.7	-1.1	-1.1	-1.1	-1.2	-1.2	-1.3	*	*	*	0
Fourth Quintile	-0.8	-0.9	-1.8	-1.8	-1.1	-1.1	-1.1	-1.2	-1.1	-1.1	*	*	*	0
Highest Quintile	-0.5	-1.1	-2.6	-3.0	-1.8	-1.8	-1.7	-1.9	-1.3	-1.3	*	*	*	0
All Quintiles	-0.7	-1.1	-2.2	-2.4	-1.5	-1.5	-1.5	-1.6	-1.3	-1.3	*	*	*	0
Top 10 Percent	-0.4	-1.2	-2.8	-3.3	-2.0	-2.0	-2.0	-2.1	-1.4	-1.5	*	*	*	0
Top 5 Percent	-0.4	-1.3	-3.1	-3.8	-2.3	-2.3	-2.3	-2.5	-1.6	-1.7	0.1	*	*	0
Top 1 Percent	-0.3	-1.6	-3.8	-4.8	-3.1	-3.2	-3.3	-3.6	-2.3	-2.6	0.1	*	*	0
Change in Share of Total Federal Tax Liabilities														
Lowest Quintile	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	*	*	*	0
Second Quintile	-0.3	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.4	*	*	*	0
Middle Quintile	-0.3	*	*	0.2	-0.1	-0.1	*	*	-0.2	-0.2	*	*	*	0
Fourth Quintile	-0.2	0.4	0.4	0.7	0.1	0.1	0.1	0.2	*	0.1	*	*	*	0
Highest Quintile	0.9	*	*	-0.6	0.3	0.4	0.3	0.3	0.7	0.8	0.1	*	*	0
All Quintiles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Top 10 Percent	0.9	-0.4	-0.3	-1.1	0.2	0.2	0.2	*	0.5	0.5	0.1	*	*	0
Top 5 Percent	0.8	-0.8	-0.6	-1.5	*	0.1	*	-0.2	0.3	0.2	0.1	0.1	*	0
Top 1 Percent	0.5	-0.9	-0.9	-1.8	-0.3	-0.3	-0.5	-0.7	-0.2	-0.4	0.1	*	*	0
Change in Share of Individual Income Tax Liabilities														
Lowest Quintile	-0.5	-0.6	-1.0	-1.1	-0.8	-0.8	-0.8	-0.8	-0.8	-0.9	*	*	*	0
Second Quintile	-0.9	-0.9	-1.6	-1.6	-1.0	-1.0	-0.9	-1.0	-1.1	-1.2	*	*	*	0
Middle Quintile	-0.9	-0.8	-1.1	-1.0	-0.6	-0.6	-0.5	-0.6	-0.7	-0.8	*	*	*	0
Fourth Quintile	-0.6	-0.3	-0.4	-0.1	*	*	*	0.1	-0.2	-0.1	*	*	*	0
Highest Quintile	2.9	2.6	4.2	3.8	2.5	2.4	2.2	2.3	2.8	3.0	*	*	*	0
All Quintiles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Top 10 Percent	2.9	2.3	3.9	3.2	2.1	2.0	1.8	1.8	2.4	2.5	*	*	*	0
Top 5 Percent	2.6	1.8	3.3	2.3	1.5	1.4	1.2	1.1	1.8	1.7	0.1	*	*	0
Top 1 Percent	1.8	1.0	1.7	0.6	0.2	-0.1	-0.3	-0.5	0.3	0.2	0.1	*	*	0

Source: Congressional Budget Office. Notes: The values in this table equal the differences between comparable entries in Tables 2 and 3.

* = less than 0.05 percentage points. The notes that appear in Table 2 also apply to this table.

Table 5.

Differences in Total Effective Federal Tax Rates Under Current Law and 2000 Law With and Without the Alternative Minimum Tax, Based on 2001 Incomes, by Household Income Category, 2001 to 2014

(Percentage points)

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in Total Effective Federal Tax Rate with the AMT														
Lowest Quintile	-0.8	-1.1	-1.4	-1.5	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	*	*	*	0
Second Quintile	-1.1	-1.3	-2.1	-2.1	-1.3	-1.3	-1.3	-1.4	-1.5	-1.7	*	*	*	0
Middle Quintile	-1.0	-1.3	-1.8	-1.9	-1.0	-1.0	-1.0	-1.1	-1.1	-1.3	*	*	*	0
Fourth Quintile	-0.8	-1.1	-1.9	-2.1	-1.1	-1.0	-1.0	-1.1	-1.0	-1.1	*	*	*	0
Highest Quintile	-0.5	-2.1	-3.1	-3.9	-1.5	-1.4	-1.4	-1.6	-1.1	-1.2	0.1	0.1	*	0
All Quintiles	-0.7	-1.7	-2.6	-3.0	-1.3	-1.3	-1.3	-1.4	-1.2	-1.3	0.1	*	*	0
Top 10 Percent	-0.4	-2.4	-3.5	-4.5	-1.6	-1.5	-1.6	-1.8	-1.2	-1.3	0.1	0.1	*	0
Top 5 Percent	-0.4	-2.9	-3.9	-5.2	-1.8	-1.7	-1.8	-2.1	-1.3	-1.6	0.2	0.1	*	0
Top 1 Percent	-0.3	-3.8	-5.0	-6.8	-2.4	-2.3	-2.6	-3.1	-2.0	-2.4	0.2	0.1	*	0
Change in Total Effective Federal Tax Rate Without the AMT														
Lowest Quintile	-0.8	-1.1	-1.4	-1.5	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	*	*	*	0
Second Quintile	-1.1	-1.3	-2.1	-2.1	-1.3	-1.3	-1.3	-1.4	-1.5	-1.8	*	*	*	0
Middle Quintile	-1.0	-1.2	-1.8	-1.9	-1.1	-1.1	-1.1	-1.2	-1.2	-1.4	*	*	*	0
Fourth Quintile	-0.8	-1.1	-1.9	-2.0	-1.2	-1.2	-1.3	-1.5	-1.5	-1.6	*	*	*	0
Highest Quintile	-0.5	-2.1	-3.2	-4.0	-1.9	-1.9	-2.0	-2.4	-2.0	-2.2	0.1	0.1	*	0
All Quintiles	-0.7	-1.7	-2.6	-3.0	-1.6	-1.6	-1.7	-1.9	-1.7	-1.9	0.1	*	*	0
Top 10 Percent	-0.4	-2.5	-3.6	-4.6	-2.0	-2.1	-2.2	-2.7	-2.1	-2.4	0.1	0.1	*	0
Top 5 Percent	-0.4	-2.9	-4.1	-5.3	-2.2	-2.3	-2.4	-3.0	-2.2	-2.6	0.2	0.1	*	0
Top 1 Percent	-0.3	-3.8	-5.1	-6.9	-2.6	-2.6	-2.8	-3.5	-2.3	-2.8	0.2	0.1	*	0

Source: Congressional Budget Office.

Notes: AMT = alternative minimum tax; * = less than 0.05 percentage points.

The notes that appear in Table 2 also apply to this table.

A

Sensitivity of the Results to Base-Year Incomes

The choice of a base year has only a small effect on estimated effective tax rates. The results discussed in the body of this paper derive from incomes in 2001. Incomes in that year were generally lower than those in 2000, particularly at the upper end of the distribution. Nonetheless, substituting incomes in 2000 for those in 2001 and repeating the analysis yields only slightly higher estimates of effective tax rates, with much of the observed difference reflecting a change in the amount of capital gains realized.

Economic circumstances differed markedly between 2000 and 2001 (see Table A-1). Average income for households rose sharply during the 1990s—a period of rapid economic growth and a booming stock market—peaking at \$76,200 in 2000. In 2001, the economy went into recession, the stock market fell, and average income dropped 6 percent, to \$71,800. The decline in income varied across the income distribution. While average income for the top quintile fell by 10.5 percent, from \$202,000 in 2000 to \$182,700 the following year, it fell by about 1 percent for the fourth quintile and by less than 1 percent for each of the three lower quintiles.

A large part of the difference in incomes between 2000 and 2001 resulted from capital gains realizations, which fell from \$644 billion, or 6.6 percent of gross domestic product (GDP), in 2000 to \$344 billion, or 3.5 percent of GDP, in 2001. That \$300 billion drop constituted about two-fifths of the total decline in income between the two years. At 3.5 percent, realizations for 2001 were close to the historical average of capital gains relative to GDP.

Shifting the base year for incomes from 2001 to 2000 moves estimated changes in effective tax rates by no more than one-tenth of a percentage point for any quintile in 2004 (see Table A-1). The differences are greater for

households with the highest incomes: the top 1 percent of households shows a 6.8 percentage-point reduction using 2001 incomes but only a 6.1 percentage-point drop using 2000 incomes. That difference results from the fact that some of the tax reductions for 2004, such as the expensing provisions, are measured in fixed dollar amounts and are not a function of income. Those fixed dollar amounts cause a bigger percentage-point change in effective tax rates when based on the lower incomes in 2001.

In 2006, the effects of using incomes from alternative years are greater, primarily for the top quintile. Effective tax rates again differ by no more than one-tenth of a percentage point for the first four quintiles, but the top quintile shows a reduction of 1.4 percentage points using 2001 incomes, compared with a reduction of 1.7 percentage points using 2000 incomes. The difference rises to 0.5 percentage points for the top 1 percent of households. Those differences derive from different levels of capital gains realizations between the two years interacting with the Jobs and Growth Tax Relief Reconciliation Act's reduction in the maximum tax rate on long-term capital gains. Adjusting the levels of realizations in the 2001 data to be consistent with the higher 2000 levels eliminates most of the difference in effective tax rates (see the bottom panel of Table A-1). Thus, the larger impact of legislative changes in 2006 measured using 2000 incomes results from the unusually high level of capital gains realizations in 2000.

In 2010, the results are almost identical using the 2000 data and the 2001 data, within one-tenth of a percentage point for all groups. The rate reductions on capital gains are not in effect in that year, and the impact of tax changes measured in fixed dollars is very small. By 2010, then, the choice of a base year for incomes has little effect on the changes in effective tax rates.

The choice of a base year has a greater impact on the changes in the share of taxes paid by each income segment (as opposed to the effective tax rate for each segment), although the impact is still not dramatic (see Table A-2). The largest differences are for the top quintile and the subcategories within it. For example, under 2004 law, the share of taxes paid by the highest quintile falls by 0.6 percentage points using the 2001 data compared with 0.4 percentage points with the 2000 data.

Some of the difference in shares of taxes resulting from the choice of a base year comes from the difference in realized capital gains. Under 2006 law, the 2001 data show a 0.1 percentage point *increase* in the share of taxes paid by the top 5 percent of households, while the 2000 data show a *decrease* of 0.3 percentage points. However, if the 2001 data are adjusted to reflect the higher realizations in 2000, the changes in shares for the top 10 percent, 5 percent, and 1 percent of households are identical.

Table A-1.

Changes in Effective Federal Tax Rates in Future Years Using Different Base Years, by Income Category

Income Category	Households (Millions)	Average Base-Year Income Level (2001 dollars)	Change in Effective Tax Rate Between Current Law and 2000 Law (Percentage points)		
			2004	2006	2010
Using 2001 Data					
Lowest Quintile	22.2	14,900	-1.5	-1.4	-1.9
Second Quintile	21.1	34,200	-2.1	-1.3	-1.7
Middle Quintile	21.6	51,500	-1.9	-1.0	-1.3
Fourth Quintile	21.5	75,600	-2.1	-1.0	-1.1
Highest Quintile	22.5	182,700	-3.9	-1.4	-1.2
All Quintiles	109.4	71,800	-3.0	-1.3	-1.3
Top 10 Percent	11.4	259,000	-4.5	-1.5	-1.3
Top 5 Percent	5.7	379,800	-5.2	-1.7	-1.6
Top 1 Percent	1.1	1,050,100	-6.8	-2.3	-2.4
Using 2000 Data					
Lowest Quintile	22.1	15,000	-1.5	-1.4	-1.8
Second Quintile	20.8	34,200	-2.1	-1.3	-1.7
Middle Quintile	21.6	51,700	-2.0	-1.0	-1.3
Fourth Quintile	21.1	76,600	-2.1	-1.1	-1.1
Highest Quintile	22.4	202,000	-3.9	-1.7	-1.3
All Quintiles	108.3	76,200	-3.1	-1.4	-1.3
Top 10 Percent	11.4	294,300	-4.4	-1.8	-1.4
Top 5 Percent	5.7	446,400	-5.0	-2.1	-1.6
Top 1 Percent	1.1	1,326,900	-6.1	-2.8	-2.3
Using 2001 Data with Capital Gains in 2000					
Lowest Quintile	22.3	15,000	-1.5	-1.4	-1.9
Second Quintile	21.0	34,300	-2.1	-1.3	-1.7
Middle Quintile	21.6	51,600	-1.9	-1.0	-1.3
Fourth Quintile	21.5	75,800	-2.1	-1.1	-1.1
Highest Quintile	22.5	195,300	-3.9	-1.6	-1.2
All Quintiles	109.4	74,500	-3.1	-1.4	-1.3
Top 10 Percent	11.4	283,100	-4.5	-1.8	-1.3
Top 5 Percent	5.7	426,500	-5.1	-2.0	-1.5
Top 10 Percent	1.1	1,242,300	-6.5	-2.8	-2.1

Source: Congressional Budget Office.

Note: The notes that appear in Table 2 also apply to this table.

Table A-2.**Changes in Shares of Federal Taxes in Future Years Using Different Base Years, by Income Category**

Income Category	Households (Millions)	Base-Year Income Share	Change in Share of Taxes Between Current Law and 2000 Law (Percentage points)		
			2004	2006	2010
Using 2001 Data					
Lowest Quintile	22.2	4.2	-0.1	-0.2	-0.3
Second Quintile	21.1	9.2	-0.2	-0.2	-0.4
Middle Quintile	21.6	14.2	0.2	-0.1	-0.2
Fourth Quintile	21.5	20.7	0.7	0.1	0.1
Highest Quintile	22.5	52.4	-0.6	0.4	0.8
All Quintiles	109.4	100.0	0	0	0
Top 10 Percent	11.4	37.6	-1.1	0.2	0.5
Top 5 Percent	5.7	27.5	-1.5	0.1	0.2
Top 1 Percent	1.1	14.8	-1.8	-0.3	-0.4
Using 2000 Data					
Lowest Quintile	22.1	4.0	-0.1	-0.2	-0.2
Second Quintile	20.8	8.6	-0.1	-0.2	-0.4
Middle Quintile	21.6	13.5	0.2	*	-0.2
Fourth Quintile	21.1	19.6	0.6	0.2	0.1
Highest Quintile	22.4	54.8	-0.4	0.1	0.7
All Quintiles	108.3	100.0	0	0	0
Top 10 Percent	11.4	40.6	-0.9	-0.1	0.4
Top 5 Percent	5.7	30.7	-1.3	-0.3	0.1
Top 1 Percent	1.1	17.8	-1.5	-0.7	-0.4
Using 2001 Data with Capital Gains in 2000					
Lowest Quintile	22.3	4.1	-0.1	-0.2	-0.3
Second Quintile	21.0	8.8	-0.1	-0.2	-0.4
Middle Quintile	21.6	13.7	0.2	*	-0.2
Fourth Quintile	21.5	20.0	0.7	0.2	0.1
Highest Quintile	22.5	54.0	-0.7	0.2	0.8
All Quintiles	109.4	100.0	0	0	0
Top 10 Percent	11.4	39.6	-1.3	-0.1	0.5
Top 5 Percent	5.7	29.8	-1.7	-0.3	0.2
Top 1 Percent	1.1	17.1	-2.0	-0.7	-0.3

Source: Congressional Budget Office.

Note: * = less than 0.05 percentage points.

The notes that appear in Table 2 also apply to this table.

B

Effects of Provisions on Partial Expensing of Investment and Net Operating Losses

The Job Creation and Worker Assistance Act of 2002 (JCWAA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) both provided incentives for businesses to invest between September 10, 2001, and January 1, 2005. JCWAA allowed an additional deduction of first-year depreciation equal to 30 percent of the basis of qualified property, and JGTRRA increased that percentage to 50 percent. JGTRRA also raised, from \$25,000 to \$100,000, the limit on the expensing of business property put into service during the 2003-2005 period. The provisions serve to shift the deductibility of depreciation of business assets, decreasing

taxes in the near term but increasing them in later years, when firms can no longer deduct depreciation because it was claimed earlier.

Those provisions to encourage business investment have a significant impact on effective tax rates in each year during the 2002-2008 period, lowering rates in the first three years but raising them in later years (see Tables B-1 and B-2). That impact can be measured by comparing the change in total effective federal tax rates under current tax law and 2000 tax law, with and without the provisions to encourage investment.

Table B-1.

Changes in Total Effective Federal Tax Rates With and Without Provisions Affecting Partial Expensing of Investment and Net Operating Losses, Under Current Tax Law and 2000 Tax Law, by Income Category, 2001 to 2014

(Percentage points)

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change with Provisions Affecting Partial Expensing and Net Operating Losses														
Lowest Quintile	-0.8	-1.1	-1.4	-1.5	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	*	*	*	*
Second Quintile	-1.1	-1.3	-2.1	-2.1	-1.3	-1.3	-1.3	-1.4	-1.5	-1.7	*	*	*	*
Middle Quintile	-1.0	-1.3	-1.8	-1.9	-1.0	-1.0	-1.0	-1.1	-1.1	-1.3	*	*	*	*
Fourth Quintile	-0.8	-1.1	-1.9	-2.1	-1.1	-1.0	-1.0	-1.1	-1.0	-1.1	*	*	*	*
Highest Quintile	-0.5	-2.1	-3.1	-3.9	-1.5	-1.4	-1.4	-1.6	-1.1	-1.2	0.1	0.1	*	*
All Quintiles	-0.7	-1.7	-2.6	-3.0	-1.3	-1.3	-1.3	-1.4	-1.2	-1.3	0.1	*	*	*
Top 10 Percent	-0.4	-2.4	-3.5	-4.5	-1.6	-1.5	-1.6	-1.8	-1.2	-1.3	0.1	0.1	*	*
Top 5 Percent	-0.4	-2.9	-3.9	-5.2	-1.8	-1.7	-1.8	-2.1	-1.3	-1.6	0.2	0.1	*	*
Top 1 Percent	-0.3	-3.8	-5.0	-6.8	-2.4	-2.3	-2.6	-3.1	-2.0	-2.4	0.2	0.1	*	*
Change Without Provisions Affecting Partial Expensing and Net Operating Losses														
Lowest Quintile	-0.8	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4	-1.5	-1.6	-1.9	0	0	0	0
Second Quintile	-1.1	-1.2	-2.0	-1.9	-1.4	-1.4	-1.4	-1.4	-1.5	-1.8	0	0	0	0
Middle Quintile	-1.0	-1.0	-1.7	-1.7	-1.1	-1.1	-1.1	-1.2	-1.2	-1.3	0	0	0	0
Fourth Quintile	-0.8	-0.9	-1.8	-1.8	-1.1	-1.1	-1.1	-1.2	-1.1	-1.1	0	0	0	0
Highest Quintile	-0.5	-0.7	-2.3	-2.4	-1.9	-1.9	-1.9	-2.0	-1.4	-1.4	0	0	0	0
All Quintiles	-0.7	-0.8	-2.1	-2.1	-1.6	-1.6	-1.6	-1.6	-1.3	-1.4	0	0	0	0
Top 10 Percent	-0.4	-0.6	-2.5	-2.6	-2.2	-2.2	-2.2	-2.3	-1.5	-1.5	0	0	0	0
Top 5 Percent	-0.4	-0.6	-2.6	-2.8	-2.5	-2.6	-2.5	-2.7	-1.7	-1.8	0	0	0	0
Top 1 Percent	-0.3	-0.6	-3.1	-3.5	-3.4	-3.6	-3.6	-3.9	-2.5	-2.7	0	0	0	0
Difference Attributable to Provisions Affecting Partial Expensing and Net Operating Losses														
Lowest Quintile	0	-0.1	-0.1	-0.1	*	*	*	*	*	*	*	*	*	0
Second Quintile	0	-0.2	-0.1	-0.2	*	0.1	0.1	*	*	*	*	*	*	0
Middle Quintile	0	-0.3	-0.1	-0.2	0.1	0.1	0.1	0.1	*	*	*	*	*	0
Fourth Quintile	0	-0.3	-0.2	-0.3	0.1	0.1	0.1	0.1	*	*	*	*	*	0
Highest Quintile	0	-1.4	-0.8	-1.4	0.4	0.6	0.5	0.3	0.2	0.2	0.1	0.1	*	0
All Quintiles	0	-0.8	-0.5	-0.9	0.2	0.3	0.3	0.2	0.2	0.1	0.1	*	*	0
Top 10 Percent	0	-1.8	-1.0	-1.8	0.5	0.7	0.6	0.4	0.3	0.2	0.1	0.1	*	0
Top 5 Percent	0	-2.2	-1.3	-2.3	0.7	0.9	0.8	0.6	0.4	0.3	0.2	0.1	*	0
Top 1 Percent	0	-3.2	-1.8	-3.3	1.0	1.3	1.1	0.8	0.6	0.4	0.2	0.1	*	0

Source: Congressional Budget Office.

Notes: * = less than 0.05 percentage points.

The notes that appear in Table 2 also apply to this table.

Table B-2.

Effective Federal Tax Rates and Shares Under Current Tax Law Excluding Provisions Affecting Partial Expensing of Investment and Net Operating Losses, Based on 2001 Incomes, by Income Category, 2001 to 2014

Income Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Effective Federal Tax Rate														
Lowest Quintile	5.4	5.4	5.2	5.3	5.4	5.6	5.7	5.8	5.8	5.7	7.8	8.0	8.1	8.3
Second Quintile	11.6	11.7	11.1	11.3	11.9	12.1	12.3	12.3	12.4	12.3	14.2	14.4	14.5	14.7
Middle Quintile	15.2	15.3	14.7	14.8	15.5	15.6	15.8	15.9	16.1	16.1	17.6	17.8	18.0	18.2
Fourth Quintile	19.3	19.4	18.6	18.8	19.6	19.7	19.9	20.1	20.3	20.5	21.8	22.0	22.2	22.4
Highest Quintile	26.8	26.8	25.2	25.2	25.8	25.9	26.0	26.1	26.8	26.9	28.4	28.5	28.7	28.8
All Quintiles	21.5	21.5	20.4	20.5	21.2	21.3	21.4	21.5	22.0	22.0	23.6	23.7	23.9	24.1
Top 10 Percent	28.6	28.5	26.8	26.7	27.2	27.3	27.4	27.4	28.3	28.3	30.0	30.1	30.2	30.3
Top 5 Percent	30.1	30.0	28.0	27.9	28.3	28.3	28.4	28.4	29.4	29.4	31.3	31.4	31.5	31.6
Top 1 Percent	33.0	32.8	30.3	30.0	30.0	29.9	29.9	29.6	31.0	30.8	33.6	33.6	33.6	33.6
Effective Individual Income Tax Rate														
Lowest Quintile	-5.6	-5.6	-5.8	-5.7	-5.6	-5.4	-5.3	-5.2	-5.2	-5.3	-3.2	-3.0	-2.9	-2.7
Second Quintile	0.3	0.4	-0.2	-0.1	0.6	0.8	1.0	1.0	1.1	1.0	2.9	3.1	3.2	3.4
Middle Quintile	3.8	3.9	3.3	3.5	4.2	4.3	4.5	4.5	4.7	4.7	6.3	6.5	6.7	6.9
Fourth Quintile	7.2	7.3	6.5	6.7	7.5	7.6	7.8	8.0	8.2	8.4	9.7	9.9	10.1	10.3
Highest Quintile	16.3	16.2	14.7	14.7	15.3	15.4	15.5	15.6	16.3	16.4	17.9	18.0	18.1	18.3
All Quintiles	10.4	10.4	9.3	9.3	10.0	10.1	10.3	10.3	10.8	10.9	12.4	12.6	12.7	12.9
Top 10 Percent	18.7	18.5	16.8	16.7	17.3	17.3	17.5	17.5	18.3	18.4	20.0	20.2	20.3	20.4
Top 5 Percent	20.8	20.6	18.7	18.5	19.0	19.0	19.1	19.0	20.1	20.1	21.9	22.0	22.1	22.2
Top 1 Percent	24.1	23.9	21.3	21.0	21.1	20.9	20.9	20.7	22.1	21.9	24.6	24.6	24.6	24.7
Share of Total Federal Tax Liabilities														
Lowest Quintile	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.4	1.4	1.4	1.5
Second Quintile	5.0	5.0	5.0	5.0	5.2	5.2	5.2	5.3	5.2	5.1	5.5	5.6	5.6	5.6
Middle Quintile	10.0	10.1	10.2	10.3	10.4	10.4	10.5	10.5	10.4	10.4	10.6	10.7	10.7	10.7
Fourth Quintile	18.5	18.6	18.9	18.9	19.1	19.2	19.2	19.3	19.2	19.2	19.1	19.2	19.2	19.2
Highest Quintile	65.3	65.1	64.7	64.5	64.0	63.9	63.7	63.6	64.0	64.0	63.2	63.0	62.9	62.8
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	50.0	49.7	49.2	49.0	48.4	48.2	48.1	48.0	48.4	48.3	47.8	47.7	47.6	47.4
Top 5 Percent	38.5	38.3	37.8	37.5	36.9	36.7	36.5	36.4	36.9	36.7	36.5	36.4	36.3	36.1
Top 1 Percent	22.7	22.5	21.9	21.6	21.0	20.8	20.6	20.4	20.9	20.7	21.1	20.9	20.8	20.7
Share of Individual Income Tax Liabilities														
Lowest Quintile	-2.3	-2.3	-2.6	-2.6	-2.4	-2.3	-2.2	-2.1	-2.0	-2.0	-1.1	-1.0	-1.0	-0.9
Second Quintile	0.3	0.4	-0.2	-0.1	0.6	0.7	0.9	0.9	0.9	0.8	2.2	2.3	2.3	2.4
Middle Quintile	5.2	5.4	5.1	5.3	5.9	6.0	6.2	6.2	6.2	6.2	7.2	7.3	7.4	7.6
Fourth Quintile	14.3	14.5	14.6	14.8	15.5	15.7	15.8	16.0	15.8	16.0	16.2	16.3	16.4	16.5
Highest Quintile	82.5	82.0	83.2	82.5	80.4	79.9	79.4	79.0	79.1	79.0	75.6	75.2	74.8	74.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	67.7	67.2	68.2	67.5	65.1	64.5	64.0	63.6	63.8	63.6	60.7	60.3	59.9	59.5
Top 5 Percent	55.2	54.7	55.5	54.7	52.3	51.7	51.2	50.7	51.1	50.8	48.7	48.2	47.9	47.4
Top 1 Percent	34.4	34.0	34.1	33.3	31.2	30.6	30.2	29.6	30.2	29.8	29.3	29.0	28.7	28.3

Source: Congressional Budget Office.

Note: The notes that appear in Table 2 also apply to this table.

