

Ninety Years of Individual Income and Tax Statistics, 1916-2005

by Scott Hollenbeck and Maureen Keenan Kahr

Since 1916, the Internal Revenue Service (IRS) has been publishing income and tax statistics based on information reported on Federal tax returns filed by U.S. individual taxpayers. These publicly available, annual Statistics of Income (SOI) reports were created shortly after enactment of the modern income tax in 1913. Detailed data for Tax Year (TY) 1916 were reported in the first volume of the annual SOI report, along with a few statistics for 1913-1915.

This article focuses on the regular annual SOI individual income tax return program and the data that have been published over the past 90 years. The article includes a brief history of the Statistics of Income program, as well as a summary of the major tax law changes that have affected individual taxpayers. The article also includes some analysis of the changes, over time, in individual return filings, total income, average tax rate, and the alternative minimum tax. Finally, the article presents historical tabulations, which summarize the individual income tax data that have been reported by SOI over the past 90 years.

Background and History

During the beginning years of the SOI program, the individual income tax tabulations that were included in reports were relatively uncomplicated and few in number. The data that could be presented were largely limited by data items that were reported on the simple tax forms and the lack of modern data processing equipment and technology. Until the late 1920s, the individual income statistics particularly emphasized the tax, the amount of income producing the tax, and the location in which the returns were filed. A major portion of each report was dedicated to showing the number of returns, income, and tax, classified by the size of income for each State. The number of returns filed in each county, city, and town were available for the first 21 years.

The number of users of SOI data increased as many Federal, State, and private economic research organizations were created. As the needs of these new users increased, along with those of tax admin-

istrators and the estimators of future tax revenue, many new data items were requested. As a result of meeting these requests, the number of basic tables included in the annual SOI report increased, largely with the introduction of crosstabulations. Added data included items such as detailed sources of income, tax payments, number of exemptions, and standard and itemized deductions, including types of itemized deductions. New classifiers were also added to the reports, including the size of specific income sources and net income.

As technology advanced and computer processing was introduced, more sophisticated tables could be produced. These newer, more complex tables were added to the SOI reports, in order to meet customer needs. The reports were improved to show added detail for the number of returns filed, sources of income, marital status, and for taxable and nontaxable returns. There was more information for types of dependents, types of tax computation, and for several types of tax credits. New classifiers included taxpayers age 65 and older, marginal tax rates, and alternative income concepts. More recently, new classifiers have been added to provide greater detail for taxpayers with higher incomes. In earlier reports, taxpayers with an adjusted gross income (AGI) of \$1 million or more were all grouped together. The TY 2000 report was expanded by adding several income classes, up to a new top bracket of taxpayers with AGI of \$10 million or more. Additionally, the reports were expanded to show data on new adjustments available to taxpayers, such as deductions for Health Savings Accounts (HSA), tuition and fees, and interest paid on student loans. Details on recent tax credits were added to the reports, including the child tax credit, adoption credit, and education credits.

In the future, the SOI reports will continue to expand to meet the needs of data users. Among the users of SOI data are the Treasury Department's Office of Tax Analysis, the Joint Committee on Taxation of the U.S. Congress, the Bureau of Economic Analysis and the Bureau of the Census (both in the Department of Commerce), private nonprofit research organizations, universities and businesses, as well as many State and local Government agencies. Many SOI statistics are available on the SOI Web site (www.irs.gov/taxstats/) in order to provide data

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on a more timely basis. Some of the material on the Web site has replaced what was previously published in paper reports.

The *Statistics of Income Bulletin* was introduced as a quarterly publication on June 26, 1981. The first report (Volume 1, Number 1) was produced in accordance with the mandate of Internal Revenue Code section 6108 that requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws. The first *Bulletin* presented preliminary statistics for individual tax returns for 1979 and the first detailed statistics on both sole proprietorships and partnerships for 1978. Each of these three subjects was previously released in a separate report as statistical tables with little underlying analysis. However, the introduction of the *Bulletin* presented a unique opportunity with which timely analytical tax law statistics would be made available to Federal and State governments, academics, and private researchers. More than 25 years later, the *Bulletin* has grown in content and stature to include far-ranging subjects related to individual income tax returns. Such subjects include individual income tax rates and shares, sole proprietorship and farm proprietorship returns, high-income tax returns, individual foreign-earned income and foreign tax credit, and accumulation and distribution of individual retirement arrangements.

Changes in the Law

Since 1913, there has been a fairly steady increase in the number of returns filed, an increase in the amount and types of income reported, as well as more individual income taxes being collected by the IRS. In addition to growth in the U.S. population, real growth in the economy, and price inflation, the driving factors behind these increases have included several major changes in the tax law.

In general, the increased demands for additional revenue in order to finance World War I, World War II, and the Korean conflict resulted in rapid and numerous changes in the tax law. There were many important tax law changes shortly after the enactment of the modern income tax in 1913. Some of the notable changes were the elimination of collection of taxes at the source (1916), credit for dependents and deduction for charitable contributions (1917), and adoption of preferential tax rates on long-term capital gains

and introduction of the gross income filing requirements (1921). In 1939, the Internal Revenue Code was created, and all revenue laws in effect at that time were consolidated into a single statute.

The most drastic revisions to the tax laws occurred in the early 1940s when the individual income tax was broadened to cover most of the working population. Prior to that period, exemptions were high enough that most taxpayers did not earn enough to fall into even the lowest tax bracket. Starting in the 1960s, there were several tax law changes affecting individuals that, in addition to revenue objectives, reflected a concern with social objectives. A few examples of tax law changes with social objectives are the earned income credit (EIC), education credits, and deductions for health savings accounts. A brief summary of the major tax law changes affecting individual income tax returns beginning in 1943 is provided in Figure A.

Number of Returns

The number of individual tax returns filed for 1913 through 2005 is displayed in Figure B. During the first 4 years of the modern income tax, the number of individual tax returns filed ranged from approximately 330 thousand to 440 thousand. As a result of the previously mentioned tax law changes in 1916 and 1917, the number of returns filed rose to nearly 3.5 million in 1917. Over the following 22 years, the number of returns ranged from approximately 4.1 million to 7.7 million.

The introduction of lower income filing requirements for 1940 caused the number of returns to nearly double to 14.7 million. The number of returns filed surpassed 50 million for the first time in 1946 and increased to a little more than 60 million by 1959. During the 1960s and again in the 1970s, the number increased by an average of approximately 16 million returns to reach almost 94 million in 1980. In 1985, the number of individual filers increased to more than 100 million. Since that time, the steady growth in the number of returns has mirrored the general population growth of the U.S., reaching a new high of more than 134 million returns in 2005.

Total Income

Statistics of Income reports currently present annual data based on the concept of adjusted gross income

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Figure A

Major Tax Law Changes Affecting Individuals, 1943-2005

1943	Reenactment of income tax withholding on wages and salaries (originally enacted in 1913, but repealed in 1916).
1944	Adoption of the standard deduction and per capita personal exemption of \$600.
1948	Introduction of "income splitting" for married couples.
1954	A complete revision of the Internal Revenue Code, including changes to tax rates, institution of retirement income credit, credit for dividends, credit for partially tax-exempt interest, and major modifications to the definition of adjusted gross income and itemized deductions.
1960	Liberalization of allowable medical and dental expense deductions for taxpayers' parents.
1963	Introduction of a deduction for contributions to a self-employed retirement plan.
1964	Institution of statutory adjustments for employee moving expenses and employee business expenses, institution of income averaging tax computation, increase in dividend exclusion, and introduction of minimum standard deduction.
1965	Tax rates were reduced.
1966	Introduction of a system of graduated rates for taxes withheld from salaries and wages.
1967	Deduction of part of the premiums paid for medical care insurance, and application of the exclusion of 1 percent of adjusted gross income for drug expenses and 3 percent of adjusted gross income for all medical and dental expenses to persons age 65 or over formerly exempt from those limitations.
1968	Imposition of a 10-percent income tax surcharge beginning April 1, 1968, and liberalization of rules governing self-employed retirement plan deductions.
1969	Establishment of a new minimum tax on individuals. Extension of the 10-percent income tax surcharge to cover all of Calendar Year 1969.
1970	Introduction of a new minimum standard deduction or low-income allowance, increase in the deduction allowed for each exemption, liberalization of the tax return filing requirements, changes in tax withholding, introduction of a tax on specified "tax preferences," imposition of higher tax rates on capital gains, and limitations on capital loss deductions.
1971	Introduction of a maximum tax on earned income and an increase in the exemption amount to \$675.
1972	Increase in the exemption amount to \$750, introduction of work incentive (WIN) credit, and Presidential Campaign Fund check-box.
1974	Comprehensive revisions to pension and employee benefit plan rules, and a tax rebate for 1974.
1975	Increase in standard deduction, establishment of personal exemption credit, earned income credit, and purchase-of-residence credit. Establishment of deduction for contributions to individual retirement accounts.
1976	Change in standard deduction, institution of child care credit, general tax credit, credit for the elderly, and extension of earned income credit through 1977.
1977	Establishment of the "zero bracket amount" and new jobs credit and implementation of disability pay exclusion.
1978	Change in treatment of capital gains, institution of residential energy and business energy investment credits, and alteration of treatment of income earned abroad.
1979	Repeal of political contributions deduction, and nonbusiness State and local gasoline tax deduction. Increase in the amount of political contributions credit, personal exemption amount, and the zero-bracket amount. Widening of tax brackets and lowering of some tax rates. Introduction of a tax on certain unemployment compensation, expiration of the general tax credit, and introduction of the advance earned income credit and the alternative minimum tax.
1981	Reduction in marginal tax rates by 23 percent, phased in over three years. Increase in the combined (for 1981 only) interest and dividend exclusion. Introduction of an alternative tax on net capital gains. Provided new deduction for two-earner married couples.
1982	Scheduled increases in accelerated depreciation deductions were repealed, a 10-percent withholding on dividends and interest paid to individuals was instituted, and the floor for medical expense deductions was raised from 3 percent to 5 percent of AGI.
1983	Portions of social security benefits and railroad retirement benefits made taxable beginning in 1984.
1984	Reduced long-term capital gain holding period from 1 year to 6 months.
1986	Lowered top marginal tax rate to 28 percent, increase in standard deduction to \$5,000 for married couples, increase of personal exemption to \$2,000, and increased earned income tax credit. Repealed two-earner deduction, long-term capital gains exclusion, State and local general sales tax deduction, income averaging, and exclusion of unemployment benefits. Limited IRA eligibility, consumer interest deduction, deductibility of passive losses, medical expenses deduction, deduction for business meals and entertainment, pension contributions, and miscellaneous expense deduction.
1990	Increased top marginal tax rate to 31 percent and increased the AMT rate to 24 percent. Capped the capital gains rate at 28 percent. Limited the value of high-income itemized deductions. Created a temporary phase-out of personal exemptions for high-income taxpayers. Expansion of the earned income tax credit and created a low-income credit for costs of health insurance.
1993	Introduction of new higher tax rates of 36 percent and 39.6 percent. Increased exemption amounts and tax rates under AMT. Expanded the earned income tax credit to single workers with no children earning \$9,000 or less.
1997	Introduction of a child credit of \$500 per child per year. Introduction of the HOPE and Lifetime Learning nonrefundable education credits. Reduced capital gains tax rates to 20 percent and 10 percent. Extended AGI phase-outs for deductible IRAs, allowed tax-free withdrawals for first-time home purchases, created new Roth and Education IRAs.
2001	Reduction of tax rates and introduction of new 10-percent rate. Doubled the child tax credit to \$1,000 per child and made a portion of it refundable. Lowered the "marriage penalties" by making the standard deduction and 15-percent tax bracket twice the size as for a single taxpayer. Phased-in both the repeal of the personal exemption phase-out (PEP) and the repeal of the Pease cutback in itemized deductions, over 5 years.
2003	Accelerated provisions from 2001 tax law change. Tax rate reductions scheduled for 2006, begin in 2003. Accelerated increase in standard deduction for joint filers to 2003, rather than gradually to 2009. Increased AMT exemptions. Reduction in adjusted net capital gains rates and beginning of taxation of dividends at the adjusted net capital gains rates.
2005	Increased exemption amounts for AMT.

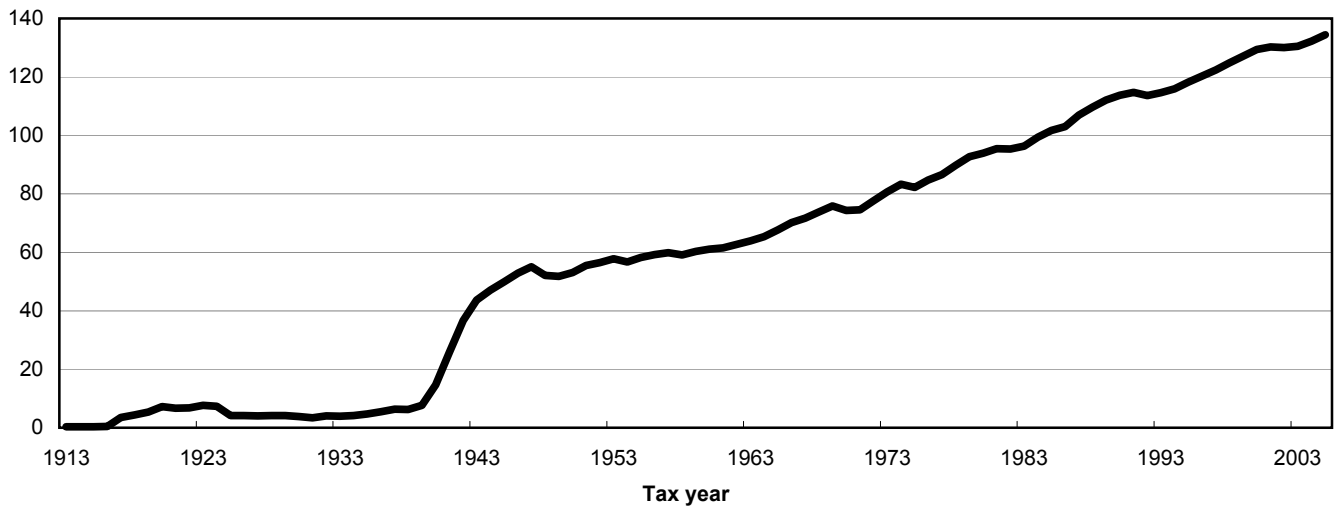
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Figure B

Number of Individual Income Tax Returns, 1913-2005

Millions of returns



(AGI), positive sources of income less negative income and statutory adjustments. AGI has been used as the basis for grouping individual tax data since 1944. Prior to 1944, individual tax statistics were based on the concept of net income, positive sources of income less negative amounts and allowable deductions.¹ The differences in these two concepts make direct comparisons difficult. However, a concept of “total income,” positive sources of income less negative amounts (as provided in the tax law for a particular year), can be constructed for the entire 90-plus-year period of the individual income tax.² Table 1 shows total income, as well as major sources of income, and tax items from 1913-2005.

Taxpayers reported \$3.9 billion in total income for the first year of the income tax in 1913. In the 92 years since 1913, total income has climbed to more than \$7.5 trillion for 2005, the most recent year for which SOI has statistics. For most years, total income reported in current dollars has grown. As expected, total income declined for a few years in a row, 1929-1932, due to the Great Depression that began in the United States with the stock market crash of 1929. However, in the 73-year period since 1932,

total income has grown in all but 4 years, 1938, 1949, 2001, and 2002. For the 2 most recent years during which total income fell, 2001 and 2002, the decline was mainly due to large declines in net capital gain (less loss).

Table 1A presents total income, major sources of income, and tax items from 1913-2005 in constant dollars.³ The constant-dollar total income amounts provided in Table 1A show that, in real terms, total income reported on individual income tax returns has grown throughout the majority of the last 90-plus years. Total income in real terms fell in only 19 of the last 90 years, including 4 consecutive years during the Great Depression. In Figure C, total income in current dollars is compared with total income in constant dollars from 1915 to 2005. Generally, Figure C shows that total income during that 90-year period has grown steadily in both real and current dollars. However, when looking at year-to-year changes in total income, constant-dollar total income more clearly depicts the changes in the U.S. economy. For example, the recessions of 1973-1975, 1991, and 2001 are apparent when looking at total income in real terms.⁴

¹ In general, allowable deductions included, but were not limited to, items such as interest paid, taxes paid, charitable contributions, losses from fires and storms, and bad debts. See appropriate SOI reports for those deductions allowable in a specific year.

² For each tax year, the total income figure was derived by adding the positive amounts of income less the net loss amounts of income for data shown in the applicable SOI report.

³ U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review. The Consumer Price Index (CPI-U) for each calendar year represents an annual average of monthly indices (2005=100).

⁴ Business Cycle Expansions and Contractions (see <http://www.nber.org/cycles/>).

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Figure C

Total Income in Current and Constant Dollars, 1915-2005

Trillions of dollars

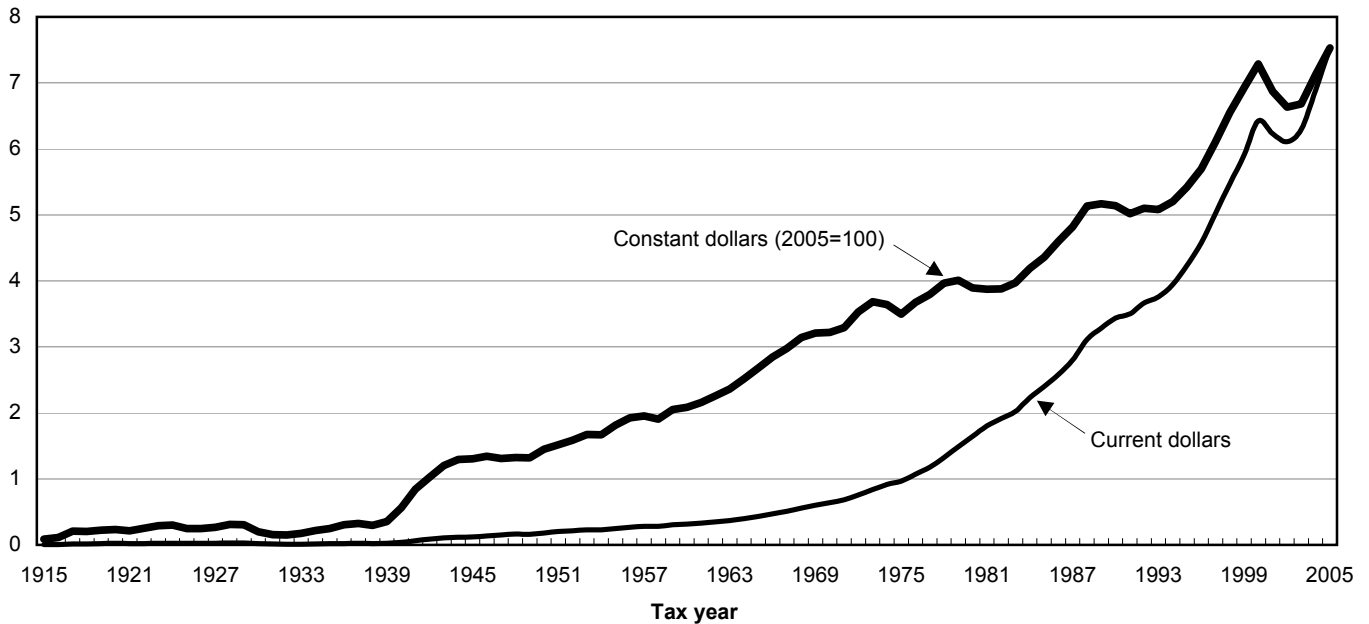
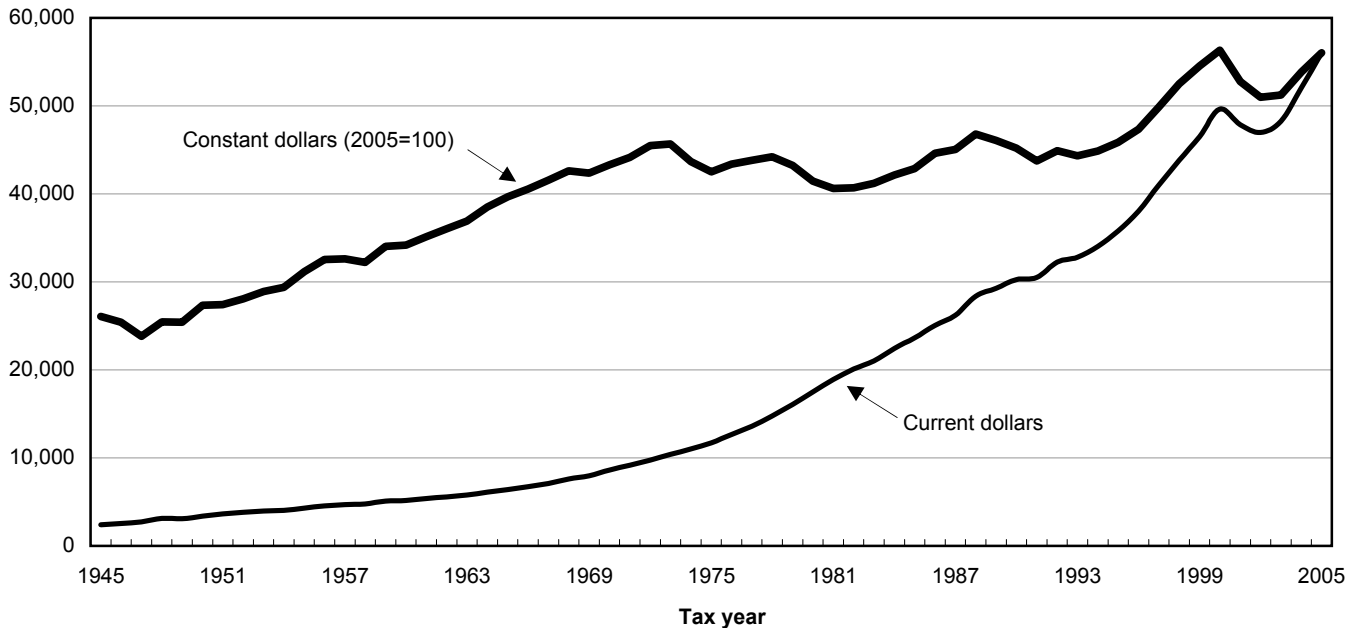


Figure D

Average Income in Current and Constant Dollars, 1945-2005

Dollars



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Average total income from 1945 to 2005 in current versus constant dollars is shown in Figure D. Average income for this article is calculated by dividing total income by the number of returns for a particular year. For the period 1945 to 2005, the lowest average income, in constant dollars, was \$23,800 for 1947. One of the main reasons for the decline in average income before 1947 was the increase in the number of returns filed with lower income due to lower income filing requirements introduced for 1940. Prior to that period, only upper income people were taxed. The graph of constant-dollar average income shows that average income generally increased from the late 1940s through the early 1970s. Then, in the period from the mid 1970s to the early 1990s, average income stayed in the low- to mid-\$40,000 range before climbing again for 7 straight years from 1994 through 2000. Average income for 2000 reached \$56,315, the highest average income during the 1945 to 2005 period.

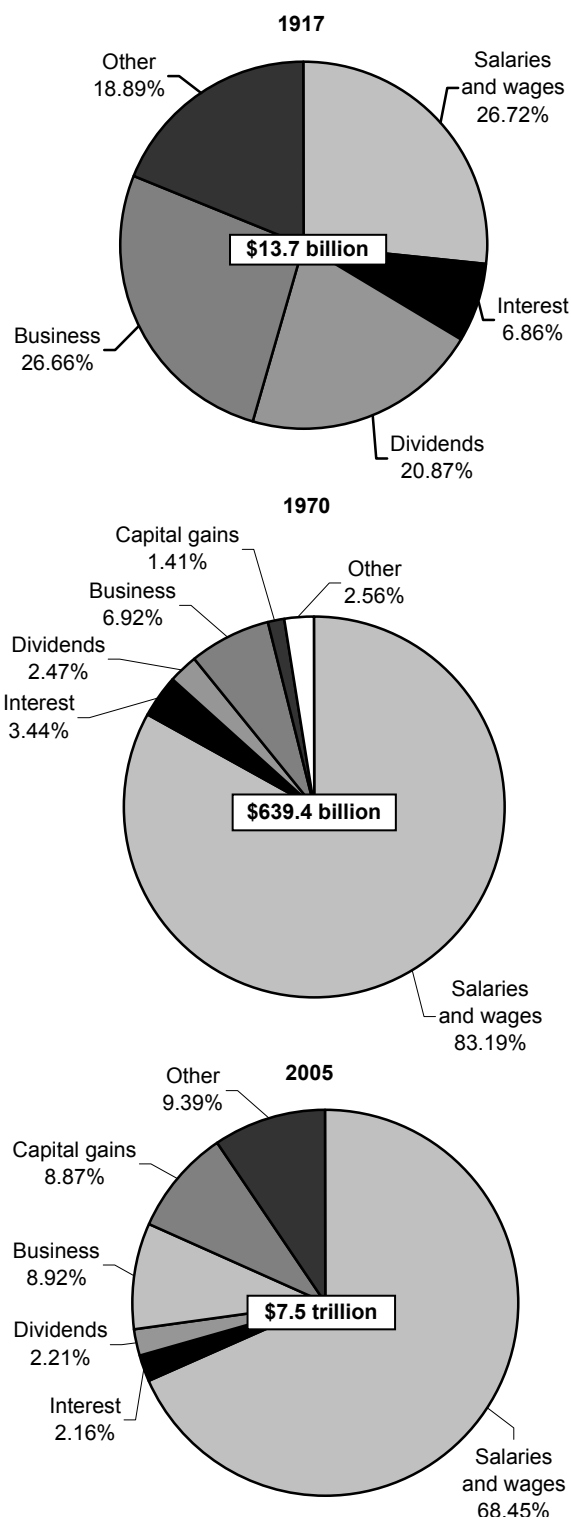
Sources of Income

The main items that make up total income have largely stayed the same throughout the years. Salaries and wages have been the largest component of total income in every year except the first year of SOI statistics, 1916. In 1916, both dividends and business income were larger than salaries and wages. Even with salaries and wages as the largest component of total income in every year since 1917, salaries and wages as a percentage of total income has varied from a low of 26.7 percent of total income in 1917 to a high of 83.2 percent in 1970. For the majority of the years in the 1950s, 1960s, 1970s, and early 1980s, salaries and wages as a percentage of total income stayed in the low 80-percent range. While salaries and wages are still by far the largest source of total income, in the last 20 years, there has been a downward trend in their percentage of total income.⁵ At almost \$5.2 trillion for 2005, salaries and wages made up only 68.4 percent of total income (Figure E). Along with the decline in the share of salaries and wages in total income, there has been an upward trend in the share of business income, capital gains, and other income in total income. The percentage of total income that these sources of income represent is still small in comparison to salaries and wages.

⁵ Note that, prior to the Tax Reform Act of 1986, because of a 60-percent deduction, taxpayers only had to report 40 percent of their long-term capital gains in excess of short-term losses.

Figure E

Major Sources of Individual Total Income for Tax Years 1917, 1970, and 2005



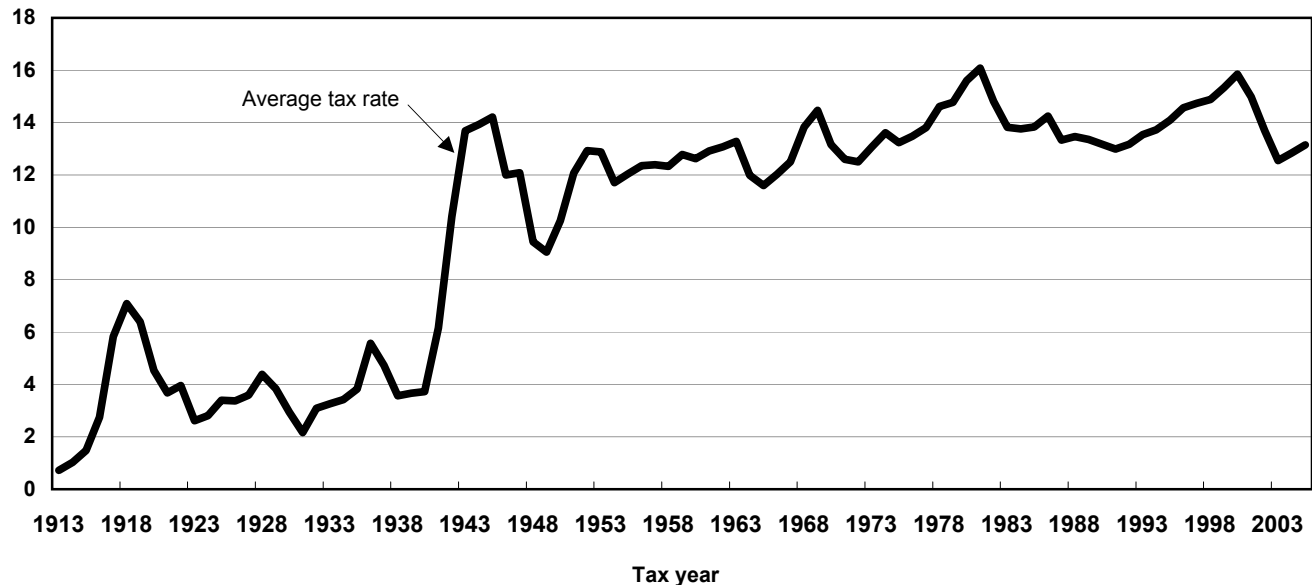
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Figure F

Average Individual Income Tax Rate, 1913-2005

Percent



However, from 1995 to 2005, business income has grown from 3.2 percent of total income to 8.9 percent; capital gains has increased from 2.8 percent to 8.9 percent; and other income has increased from 3.8 percent to 9.4 percent.

Average Tax Rate

The average individual income tax rate is calculated by dividing income tax by the total income for a tax year. For this article, individual income tax before credits is used to calculate the average tax rate. Most of the fluctuations in the average tax rate during the past 90-plus years can be attributed to tax law changes affecting the definition of income reported on a tax return and to how tax before credits was calculated on that income. For nearly the first 30 years of the modern income tax system, the average tax rate fluctuated between less than 1.0 percent and 7.1 percent. During the Great Depression, the average tax rate dropped to just over 2.1 percent for 1931.

Throughout the early 1940s, several tax laws were passed to increase individual income tax rates. These changes in law resulted in average tax rates reaching double digits for the first time in 1942 and rising to more than 14.2 percent by 1945, as illustrated in Figure F. After World War II, tax rates fell to a low of 9.1 percent in 1949. Since 1955, the

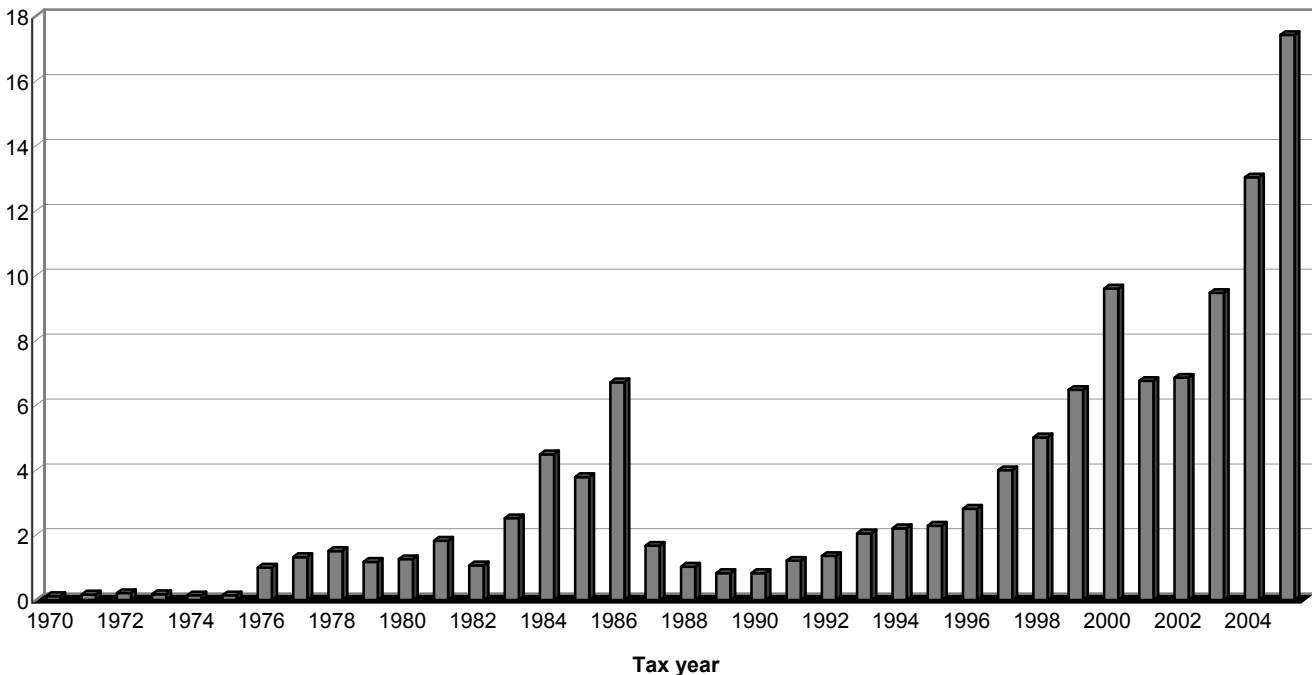
average tax rate has ranged between approximately 11.6 percent and 16.1 percent. During the 1950s and early 1960s, there were gradual increases in the average tax rate up to 13.3 percent in 1963. The Revenue Act of 1964, which reduced tax rates and introduced a minimum standard deduction, helped lower the average tax rate to 11.6 percent for 1965. A 10-percent income tax surcharge was created in 1968 in order to help pay for the Vietnam War, which resulted in a rise in the average tax rate to a high of almost 14.5 percent in 1969.

During the 1970s, the U.S. economy experienced a period of high inflation, resulting in higher total and average tax burdens for individuals. This increase in the average tax rate continued until reaching an all-time high of 16.1 percent in 1981. The average tax rates steadily declined after the Economic Recovery Tax Act of 1981 was passed. Then, tax rate increases created under the Omnibus Budget Reconciliation Acts of 1990 and 1993, combined with strong U.S. economic growth, resulted in steady average tax rate increases throughout the 1990s, reaching a high of 15.9 percent in 2000. The reduction of tax rates from the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the acceleration of those tax rate reductions under the Jobs and Growth Tax Relief Reconciliation Act

Figure G

Alternative Minimum Tax, 1970-2005

Billions of dollars



of 2003 (JGTRRA) is clear in Figure F, as the average rates declined to 12.6 percent for 2003. For 2004 and 2005, these increased slightly to 13.1 percent.

Alternative Minimum Tax

The alternative minimum tax (AMT), also known as the minimum tax for tax preferences in its early years, was first introduced in 1970 and was created to ensure that high-income Americans were not using combinations of tax preferences to completely eliminate their tax liability. Essentially, the alternative minimum tax is a parallel tax that computes its own income amount and is taxed at a different rate than the regular income tax. The AMT did not grow very much for the first few years, but, as shown in Figure G, increased as a result of the Tax Reform Act of 1976, which expanded the definition of tax preferences, reduced deductions from tax preferences, and raised the tax rate on the tax preferences. Over the next 10 years, the alternative minimum tax grew nearly seven-fold to reach just over \$6.7 billion before falling to \$1.7 billion in 1987 as a result of changes in the Tax Reform Act of 1986. More recently, there has been a general upward trend in the growth of the alternative minimum tax. However,

the alternative minimum tax declined for 2001, partially as a result of an increase in the AMT exemption amount. But, since 2001, the AMT has grown from \$6.7 billion to slightly more than \$17.4 billion for 2005, an increase of nearly 158 percent in just 4 years.

Acknowledgments

The authors wish to express their appreciation to David Paris and Cecelia Hilgert, whose prior article, “70th Year of Individual Income and Tax Statistics, 1913-1982,” *Statistics of Income Bulletin*, Winter 1983-1984, Volume 3, Number 3, provided source material and inspiration for this article.

Data Sources and Limitations

Throughout the 90-plus years that SOI has been producing individual tax return data, the data have mostly been based on stratified probability samples of unaudited individual income tax returns. A general description of sampling procedures and data limitations applicable to SOI tabulations is contained in the Appendix of this publication. In addition, see the applicable SOI report for more information on data sources and limitations for a specific year.

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Table 1. All Individual Income Tax Returns: Sources of Income and Tax Items, Tax Years 1913-2005

(All figures are estimates based on samples—number of returns are in thousands, money amounts are in millions of current dollars)

Tax year	Number of returns	Total income	Major sources of income						Income tax before credits	Total tax liability	Alternative minimum tax
			Salaries and wages	Interest	Dividends	Business net income less loss [1]	Net capital gain less loss	All other income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1913	358	3,900	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	28	28	N/A
1914	358	4,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	41	41	N/A
1915	337	4,600	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	68	68	N/A
1916	437	6,299	1,851	667	2,136	2,637	N/A	-992	173	173	N/A
1917	3,473	13,652	3,648	936	2,849	3,640	N/A	2,579	795	795	N/A
1918	4,425	15,925	8,267	1,403	2,469	4,339	N/A	-553	1,128	1,128	N/A
1919	5,333	19,859	10,756	1,500	2,454	5,709	N/A	-560	1,270	1,270	N/A
1920	7,260	23,736	15,323	1,709	2,736	4,922	N/A	-954	1,075	1,075	N/A
1921	6,662	19,577	13,813	1,690	2,477	3,707	462	-2,572	719	719	N/A
1922	6,787	21,761	13,694	1,738	2,664	4,267	742	-1,344	861	861	N/A
1923	7,698	25,313	14,193	2,183	3,120	6,399	866	-1,448	662	662	N/A
1924	7,370	26,189	13,618	2,281	3,251	6,565	1,124	-650	735	704	N/A
1925	4,171	22,337	9,742	1,814	3,465	5,516	940	860	759	735	N/A
1926	4,138	22,442	9,994	1,936	4,012	5,306	1,287	-93	757	732	N/A
1927	4,102	23,854	10,218	2,026	4,255	5,043	1,585	727	856	830	N/A
1928	4,144	27,338	10,945	2,143	4,440	5,223	1,708	2,879	1,199	1,164	N/A
1929	4,133	26,692	11,373	2,210	5,081	5,282	1,341	1,405	1,024	1,002	N/A
1930	3,852	17,047	10,206	1,940	4,632	3,101	676	-3,508	502	477	N/A
1931	3,411	12,221	8,631	1,337	3,600	2,016	990	-4,353	264	246	N/A
1932	4,083	10,671	8,356	1,307	2,189	1,229	325	-2,735	330	330	N/A
1933	3,892	11,473	7,565	1,106	1,711	1,746	232	-887	374	374	N/A
1934	4,198	14,957	8,681	995	2,041	2,125	18	1,097	511	511	N/A
1935	4,670	17,193	9,972	98	2,288	2,387	363	2,085	657	657	N/A
1936	5,486	21,773	11,718	955	3,228	3,210	852	1,810	1,214	1,214	N/A
1937	6,350	24,120	14,206	856	3,248	3,359	158	2,293	1,142	1,142	N/A
1938	6,251	21,436	13,307	823	2,212	3,120	-176	2,150	766	766	N/A
1939	7,652	25,363	16,491	832	2,544	3,674	321	1,501	929	929	N/A
1940	14,711	40,155	27,707	1,003	2,999	5,407	332	2,707	1,496	1,496	N/A
1941	25,870	63,433	47,140	1,029	3,299	8,455	430	3,080	3,908	3,908	N/A
1942	36,619	85,780	65,617	982	2,833	12,833	112	3,403	8,927	8,927	N/A
1943	43,722	106,555	82,755	886	2,780	15,717	595	3,822	14,590	14,590	N/A
1944	47,111	116,465	91,125	[2] n.a.	[2] 3,924	17,250	917	3,249	16,224	16,216	N/A
1945	49,932	120,009	91,700	[2] n.a.	[2] 3,925	19,003	2,114	3,267	17,061	17,050	N/A
1946	52,817	134,083	99,174	1,067	3,674	23,267	3,068	3,833	16,091	16,076	N/A
1947	55,099	149,736	114,804	1,125	4,295	23,295	2,154	4,063	18,092	18,076	N/A
1948	52,072	163,516	125,881	1,293	4,971	24,506	2,201	4,664	15,442	15,442	N/A
1949	51,814	160,574	124,883	1,528	5,246	21,705	1,604	5,608	14,538	14,538	N/A
1950	53,060	179,148	139,073	1,595	6,157	23,429	2,927	5,967	18,375	18,375	N/A
1951	55,447	202,337	160,482	1,702	6,056	24,878	2,997	6,222	24,439	24,439	N/A
1952	56,529	215,290	174,339	1,847	5,860	24,754	2,470	6,020	27,822	28,020	N/A
1953	57,838	228,708	187,734	2,043	5,828	24,951	2,075	6,077	29,450	29,657	N/A
1954	56,747	229,573	185,953	2,370	7,048	25,452	3,352	5,398	26,873	26,967	N/A
1955	58,250	248,974	200,712	2,584	7,851	27,454	4,751	5,622	29,982	30,077	N/A
1956	59,197	268,268	215,618	2,872	8,606	30,137	4,553	6,482	33,134	33,265	N/A
1957	59,825	280,895	228,077	3,319	9,124	29,698	3,485	7,192	34,816	34,975	N/A
1958	59,085	281,777	227,551	3,659	9,741	29,906	4,330	6,590	34,755	34,925	N/A
1959	60,271	305,772	247,370	4,395	9,356	30,994	6,275	7,382	39,092	39,347	N/A
1960	61,028	316,141	257,918	5,057	9,530	30,038	5,300	8,298	39,909	40,298	N/A

Footnotes at end of table.

Ninety Years of Individual Income and Tax Statistics, 1916-2005

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Table 1. All Individual Income Tax Returns: Sources of Income and Tax Items, Tax Years 1913-2005—Continued

(All figures are estimates based on samples—number of returns are in thousands, money amounts are in millions of current dollars)

Tax year	Number of returns	Total income	Major sources of income						Income tax before credits	Total tax liability	Alternative minimum tax
			Salaries and wages	Interest	Dividends	Business net income less loss [1]	Net capital gain less loss	All other income			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1961	61,499	330,617	266,902	5,683	9,890	31,578	7,621	8,943	42,714	43,066	N/A
1962	62,712	349,484	283,373	7,155	10,640	33,269	5,771	9,276	45,691	45,790	N/A
1963	63,943	369,675	299,443	9,212	11,452	33,184	6,449	9,935	49,117	49,216	N/A
1964	65,376	399,539	323,266	10,125	11,917	35,358	7,939	10,934	47,896	48,185	N/A
1965	67,596	432,344	347,150	11,296	12,961	38,559	10,180	12,198	50,144	50,632	N/A
1966	70,160	472,132	381,067	13,225	13,998	40,984	9,941	12,917	56,773	51,627	N/A
1967	71,651	509,151	411,646	14,899	14,202	42,280	13,682	12,442	63,655	64,525	N/A
1968	73,729	559,760	451,505	16,782	15,222	45,503	17,990	12,758	77,440	78,419	N/A
1969	75,834	603,546	498,865	19,626	15,740	45,842	14,853	8,620	87,336	88,524	N/A
1970	74,280	639,358	531,884	22,021	15,807	44,242	9,007	16,397	84,156	85,767	122
1971	74,576	682,467	564,967	24,731	15,671	45,029	13,155	18,914	85,942	87,469	169
1972	77,573	755,540	622,599	27,400	16,794	49,616	17,076	22,055	94,442	95,949	216
1973	80,693	837,813	687,179	32,174	18,734	56,489	16,672	26,565	109,394	111,175	182
1974	83,340	918,626	758,628	39,543	20,887	55,055	13,470	31,043	125,079	127,003	143
1975	82,229	962,887	795,399	43,434	21,892	53,736	14,072	34,354	127,432	127,939	144
1976	84,670	1,070,180	880,998	48,588	24,461	59,637	18,562	37,934	144,186	145,749	1,000
1977	86,635	1,177,821	969,403	54,603	27,020	63,271	20,777	42,747	162,587	164,024	1,323
1978	89,772	1,324,811	1,090,292	61,223	30,206	75,156	23,231	44,703	193,555	193,185	1,514
1979	92,694	1,490,173	1,229,251	73,875	33,483	69,013	28,448	56,103	220,099	220,100	1,175
1980	93,902	1,642,346	1,349,843	102,009	38,761	64,558	29,660	57,515	256,294	256,251	1,263
1981	95,396	1,804,046	1,486,100	140,559	48,161	52,934	30,819	45,473	290,207	291,127	1,827
1982	95,337	1,917,023	1,564,995	157,021	54,045	48,815	34,404	57,743	283,932	284,708	1,069
1983	96,321	2,023,983	1,644,573	153,805	48,557	59,832	49,408	67,808	279,842	282,318	2,521
1984	99,439	2,229,649	1,807,138	176,369	48,641	68,498	54,519	74,484	306,686	312,534	4,490
1985	101,660	2,401,034	1,928,201	182,109	55,046	76,246	68,278	91,154	332,165	338,765	3,792
1986	103,045	2,580,689	2,031,026	167,640	61,623	84,564	132,842	102,994	367,592	381,224	6,713
1987	106,996	2,803,941	2,163,906	168,966	66,791	129,775	137,399	137,104	373,857	384,538	1,675
1988	109,708	3,111,222	2,337,984	186,982	77,330	183,403	152,841	172,682	418,889	430,733	1,028
1989	112,136	3,280,931	2,449,531	220,016	81,309	195,830	145,631	188,614	438,240	451,873	831
1990	113,717	3,439,402	2,599,401	227,084	80,169	208,452	113,159	211,137	453,128	468,631	830
1991	114,730	3,499,250	2,674,261	209,411	77,284	205,054	102,776	230,464	454,503	471,083	1,213
1992	113,605	3,664,594	2,805,703	162,343	77,926	241,654	118,230	258,738	482,631	500,020	1,357
1993	114,602	3,759,964	2,892,120	131,141	79,729	248,573	144,172	264,229	508,894	526,819	2,053
1994	115,943	3,946,621	3,026,778	126,169	82,410	280,589	142,288	288,387	541,571	561,042	2,212
1995	118,218	4,230,493	3,201,457	154,781	94,592	295,096	170,415	314,152	596,169	615,806	2,291
1996	120,351	4,578,621	3,376,872	165,673	104,255	323,684	251,817	356,320	666,724	687,332	2,813
1997	122,422	5,016,905	3,613,918	171,700	120,493	355,064	356,083	399,647	739,482	762,258	4,005
1998	124,771	5,467,504	3,879,762	178,334	118,480	389,755	446,084	455,089	813,569	821,899	5,015
1999	127,075	5,912,167	4,132,473	175,675	132,466	419,486	542,758	509,309	906,812	912,464	6,478
2000	129,374	6,423,986	4,456,167	199,322	146,988	426,779	630,542	564,188	1,018,219	1,017,471	9,601
2001	130,255	6,231,177	4,565,229	198,178	119,533	441,883	326,527	579,827	933,567	925,435	6,757
2002	130,076	6,110,747	4,559,691	149,025	103,241	458,751	238,789	601,250	836,843	834,915	6,854
2003	130,424	6,294,684	4,649,900	127,160	115,141	483,712	294,354	624,417	790,006	787,584	9,470
2004	132,226	6,886,852	4,921,806	125,474	146,839	563,210	473,662	655,861	884,343	874,010	13,029
2005	134,373	7,531,892	5,155,407	162,433	166,482	672,028	668,015	707,527	990,152	980,259	17,421

n.a.—Not available.

N/A—Not applicable.

[1] Business net income less loss is sole proprietorship (Schedule C) plus partnership and S corporation income less loss (Schedule E).

[2] For 1944 and 1945 the total amounts for interest and dividend income were combined in the SOI reports and shown as dividend income.

NOTES: Detail may not add to totals because of rounding. Data from 1913-1981 are taken directly from Paris, David and Cecelia Hilgert, "70th Year of Individual Income and Tax Statistics, 1913-1982," *Statistics of Income Bulletin*, Winter 1983-1984, Volume 3, Number 3. Data for 1982-2005 are from *Statistics of Income—Individual Income Tax Returns* (IRS Publication 1304), various years.

Ninety Years of Individual Income and Tax Statistics, 1916-2005

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Table 1a. All Individual Income Tax Returns: Sources of Income and Tax Items, Tax Years 1913-2005, in 2005 Constant Dollars [1]

(All figures are estimates based on samples—number of returns are in thousands, money amounts are in millions of constant dollars)

Tax year	Number of returns	Total income	Major sources of income						Income tax before credits	Total tax liability
			Salaries and wages	Interest	Dividends	Business net income less loss [2]	Net capital gain less loss	All other income		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1913	358	76,936	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	552	552
1914	358	78,120	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	801	801
1915	337	88,949	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,315	1,315
1916	437	112,862	33,165	11,951	38,272	47,248	N/A	-17,774	3,100	3,100
1917	3,473	208,300	55,661	14,281	43,470	55,538	N/A	39,350	12,130	12,130
1918	4,425	205,970	106,924	18,146	31,933	56,120	N/A	-7,152	14,589	14,589
1919	5,333	224,189	121,425	16,934	27,703	64,449	N/A	-6,322	14,337	14,337
1920	7,260	231,782	149,629	16,688	26,717	48,063	N/A	-9,316	10,497	10,497
1921	6,662	213,597	150,708	18,439	27,026	40,446	5,041	-28,062	7,845	7,845
1922	6,787	252,972	159,193	20,204	30,969	49,604	8,626	-15,624	10,009	10,009
1923	7,698	289,101	162,099	24,932	35,634	73,083	9,891	-16,538	7,561	7,561
1924	7,370	299,106	155,532	26,051	37,130	74,979	12,837	-7,424	8,394	8,040
1925	4,171	249,281	108,721	20,244	38,669	61,559	10,490	9,598	8,470	8,203
1926	4,138	247,623	110,273	21,362	44,268	58,546	14,201	-1,026	8,353	8,077
1927	4,102	267,741	114,688	22,740	47,759	56,603	17,790	8,160	9,608	9,316
1928	4,144	312,229	125,003	24,475	50,709	59,652	19,507	32,881	13,694	13,294
1929	4,133	304,851	129,892	25,241	58,030	60,326	15,316	16,047	11,695	11,444
1930	3,852	199,358	119,355	22,688	54,169	36,265	7,906	-41,025	5,871	5,578
1931	3,411	157,024	110,897	17,179	46,255	25,903	12,720	-55,930	3,392	3,161
1932	4,083	152,120	119,119	18,632	31,205	17,520	4,633	-38,989	4,704	4,704
1933	3,892	172,360	113,650	16,616	25,704	26,230	3,485	-13,325	5,619	5,619
1934	4,198	217,993	126,522	14,502	29,747	30,971	262	15,988	7,448	7,448
1935	4,670	245,094	142,156	1,397	32,617	34,028	5,175	29,723	9,366	9,366
1936	5,486	305,918	164,642	13,418	45,355	45,102	11,971	25,431	17,057	17,057
1937	6,350	327,128	192,669	11,610	44,051	45,556	2,143	31,099	15,488	15,488
1938	6,251	296,911	184,316	11,399	30,639	43,215	-2,438	29,780	10,610	10,610
1939	7,652	356,359	231,704	11,690	35,744	51,621	4,510	21,090	13,053	13,053
1940	14,711	560,162	386,513	13,992	41,836	75,428	4,631	37,763	20,869	20,869
1941	25,870	842,753	626,289	13,671	43,830	112,331	5,713	40,920	51,921	51,921
1942	36,619	1,027,781	786,196	11,766	33,944	153,760	1,342	40,773	106,960	106,960
1943	43,722	1,202,901	934,223	10,002	31,383	177,429	6,717	43,147	164,707	164,707
1944	47,111	1,292,364	1,011,177	[3] n.a.	[3] 43,543	191,416	10,176	36,053	180,031	179,942
1945	49,932	1,302,098	994,945	[3] n.a.	[3] 42,586	206,183	22,937	35,447	185,112	184,993
1946	52,817	1,342,893	993,266	10,686	36,797	233,028	30,727	38,389	161,158	161,007
1947	55,099	1,311,365	1,005,436	9,853	37,615	204,014	18,864	35,583	158,447	158,307
1948	52,072	1,325,090	1,020,106	10,478	40,284	198,590	17,836	37,796	125,138	125,138
1949	51,814	1,317,651	1,024,775	12,539	43,048	178,109	13,162	46,019	119,297	119,297
1950	53,060	1,451,768	1,127,011	12,925	49,895	189,862	23,720	48,355	148,906	148,906
1951	55,447	1,519,862	1,205,467	12,785	45,490	186,872	22,512	46,737	183,574	183,574
1952	56,529	1,586,647	1,284,846	13,612	43,187	182,432	18,203	44,366	205,043	206,502
1953	57,838	1,672,909	1,373,200	14,944	42,630	182,507	15,178	44,451	215,415	216,929
1954	56,747	1,666,751	1,350,060	17,207	51,170	184,787	24,336	39,191	195,104	195,786
1955	58,250	1,814,352	1,462,651	18,830	57,213	200,066	34,622	40,969	218,488	219,181
1956	59,197	1,926,204	1,548,169	20,621	61,792	216,388	32,691	46,542	237,907	238,848
1957	59,825	1,952,270	1,585,176	23,068	63,413	206,406	24,221	49,986	241,977	243,082
1958	59,085	1,904,189	1,537,741	24,727	65,828	202,098	29,261	44,534	234,867	236,016
1959	60,271	2,052,140	1,660,184	29,496	62,791	208,011	42,114	49,543	262,360	264,071
1960	61,028	2,085,890	1,701,736	33,366	62,879	198,190	34,969	54,750	263,319	265,885
1961	61,499	2,159,515	1,743,343	37,120	64,599	206,260	49,779	58,414	278,998	281,297
1962	62,712	2,260,074	1,832,541	46,271	68,808	215,147	37,320	59,987	295,479	296,119
1963	63,943	2,359,396	1,911,151	58,794	73,091	211,792	41,160	63,409	313,482	314,114

Footnotes at end of table.

Ninety Years of Individual Income and Tax Statistics, 1916-2005

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Table 1a. All Individual Income Tax Returns: Sources of Income and Tax Items, Tax Years 1913-2005, in 2005 Constant Dollars [1]—Continued

(All figures are estimates based on samples—number of returns are in thousands, money amounts are in millions of constant dollars)

Tax year	Number of returns	Total income	Major sources of income						Income tax before credits	Total tax liability
			Salaries and wages	Interest	Dividends	Business net income less loss [2]	Net capital gain less loss	All other income		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1964	65,376	2,517,096	2,036,576	63,788	75,077	222,755	50,016	68,884	301,745	303,566
1965	67,596	2,680,533	2,152,330	70,035	80,358	239,066	63,116	75,628	310,893	313,918
1966	70,160	2,845,907	2,296,987	79,717	84,377	247,042	59,922	77,861	342,215	311,196
1967	71,651	2,977,161	2,407,020	87,119	83,043	247,224	80,003	72,752	372,210	377,297
1968	73,729	3,141,412	2,533,877	94,182	85,427	255,366	100,961	71,599	434,599	440,093
1969	75,834	3,211,786	2,654,723	104,440	83,761	243,949	79,041	45,872	464,761	471,083
1970	74,280	3,218,212	2,677,241	110,843	79,565	222,692	45,337	82,534	423,600	431,709
1971	74,576	3,291,008	2,724,396	119,258	75,569	217,140	63,436	91,208	414,431	421,795
1972	77,573	3,530,071	2,908,937	128,020	78,466	231,818	79,783	103,046	441,257	448,298
1973	80,693	3,685,245	3,022,659	141,522	82,404	248,475	73,334	116,850	481,186	489,020
1974	83,340	3,639,101	3,005,275	156,648	82,743	218,098	53,361	122,976	495,496	503,117
1975	82,229	3,495,387	2,887,387	157,670	79,470	195,068	51,083	124,709	462,592	464,433
1976	84,670	3,673,219	3,023,882	166,770	83,958	204,694	63,711	130,202	494,895	500,260
1977	86,635	3,795,849	3,124,165	175,973	87,079	203,908	66,960	137,764	523,981	528,612
1978	89,772	3,968,337	3,265,859	183,387	90,479	225,122	69,586	133,903	579,774	578,666
1979	92,694	4,008,689	3,306,787	198,730	90,072	185,651	76,527	150,922	592,085	592,087
1980	93,902	3,892,599	3,199,324	241,776	91,869	153,012	70,299	136,319	607,454	607,352
1981	95,396	3,876,020	3,192,908	301,993	103,475	113,729	66,215	97,699	623,514	625,491
1982	95,337	3,879,737	3,167,290	317,784	109,378	98,793	69,628	116,862	574,631	576,202
1983	96,321	3,968,714	3,224,750	301,588	95,213	117,321	96,881	132,961	548,726	553,581
1984	99,439	4,191,053	3,396,863	331,519	91,430	128,755	102,479	140,007	576,475	587,468
1985	101,660	4,358,011	3,499,792	330,538	99,912	138,391	123,928	165,450	602,898	614,877
1986	103,045	4,598,618	3,619,155	298,723	109,808	150,687	236,716	183,529	655,025	679,316
1987	106,996	4,820,508	3,720,166	290,485	114,826	223,108	236,215	235,708	642,731	661,094
1988	109,708	5,136,278	3,859,749	308,686	127,663	302,778	252,323	285,079	691,539	711,092
1989	112,136	5,167,466	3,858,011	346,525	128,062	308,432	229,369	297,067	690,228	711,700
1990	113,717	5,139,367	3,884,185	339,323	119,793	311,482	169,089	315,494	677,092	700,257
1991	114,730	5,017,647	3,834,678	300,279	110,819	294,031	147,373	330,467	651,721	675,496
1992	113,605	5,101,178	3,905,587	225,984	108,474	336,387	164,578	360,168	671,831	696,036
1993	114,602	5,081,806	3,908,865	177,245	107,758	335,961	194,857	357,121	687,799	712,026
1994	115,943	5,200,911	3,988,730	166,267	108,601	369,764	187,509	380,040	713,690	739,349
1995	118,218	5,421,360	4,102,655	198,351	121,219	378,164	218,386	402,585	763,988	789,153
1996	120,351	5,699,201	4,203,334	206,220	129,771	402,903	313,447	443,526	829,899	855,551
1997	122,422	6,104,683	4,397,496	208,928	146,619	432,050	433,290	486,299	899,818	927,533
1998	124,771	6,550,942	4,648,574	213,673	141,958	466,989	534,480	545,269	974,785	984,766
1999	127,075	6,930,650	4,844,370	205,938	155,286	491,750	636,258	597,047	1,063,028	1,069,653
2000	129,374	7,285,740	5,053,946	226,060	166,706	484,030	715,127	639,872	1,154,809	1,153,961
2001	130,255	6,871,535	5,034,383	218,544	131,817	487,294	360,083	639,414	1,029,507	1,020,539
2002	130,076	6,633,846	4,950,015	161,782	112,079	498,022	259,230	652,719	908,479	906,386
2003	130,424	6,681,260	4,935,465	134,969	122,212	513,418	312,431	662,764	838,523	835,952
2004	132,226	7,120,181	5,088,559	129,725	151,814	582,292	489,710	678,082	914,305	903,622
2005	134,373	7,531,892	5,155,407	162,433	166,482	672,028	668,015	707,527	990,152	980,259

n.a.—Not available.

N/A—Not applicable.

[1] Based upon the Consumer Price Index as Published by the U.S. Department of Labor, Bureau of Labor Statistics.

[2] Business net income less loss is sole proprietorship (Schedule C) plus partnership and S corporation income less loss (Schedule E).

[3] For 1944 and 1945 the total amounts for interest and dividend income were combined in the SOI reports and shown as dividend income.

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