

Table 482. Federal Individual Income Tax—Tax Liability and Effective and Marginal Tax Rates for Selected Income Groups: 2000 to 2008

[Refers to income after exclusions but before deductions for itemized or standard deductions and for personal exemptions. Tax liability is after reductions for tax credits. As a result of the tax credits, tax liability can be negative, which means that the taxpayer receives a payment from the government. The effective rate represents tax liability, which may be negative as a result of the tax credits, divided by stated income. The marginal tax rate is the percentage of the first additional dollar of income which would be paid in income tax. Tax credits which increase with income can result in negative marginal tax rates. Computations assume itemized deductions (in excess of floors) of 18 percent of adjusted gross income or the standard deduction, whichever is greater. All income is assumed to be from wages and salaries. Does not include social security and Medicare taxes imposed on most wages and salaries]

| Adjusted gross income | 2000 | 2004 | 2005 | 2006 | 2007 | 2008 ¹ |
|--|----------|-------------|-------------|-------------|-------------|-------------------|
| TAX LIABILITY (dol.) | | | | | | |
| Single person, no dependents: | | | | | | |
| \$5,000 | 2_353 | 2_383 | 2_383 | 2_383 | 2_383 | 1_2_683 |
| \$10,000 | 2_391 | 2_291 | 2_46 | 2_7 | 2_73 | 1_2_415 |
| \$20,000 | 1,920 | 1,450 | 1,405 | 1,355 | 1,296 | 1,656 |
| \$30,000 | 3,270 | 2,868 | 2,845 | 2,818 | 2,789 | 1,2156 |
| \$40,000 | 4,988 | 4,163 | 4,075 | 4,048 | 4,019 | 1,3394 |
| \$50,000 | 7,284 | 6,213 | 6,115 | 5,983 | 5,824 | 1,5119 |
| \$75,000 | 13,024 | 11,338 | 11,240 | 11,108 | 10,949 | 1,10244 |
| \$100,000 | 19,233 | 16,719 | 16,571 | 16,368 | 16,119 | 15969 |
| Married couple, two dependents, with one spouse working: | | | | | | |
| \$5,000 | 2_2,000 | 2_2,000 | 2_2,000 | 2_2,000 | 2_2,000 | 1_2_3,200 |
| \$10,000 | 2_3,888 | 2_4,000 | 2_4,000 | 2_4,000 | 2_4,000 | 1_2_5,425 |
| \$20,000 | 2_3,349 | 2_4,643 | 2_4,986 | 2_4,5169 | 2_4,5,404 | 1_2,4_7,484 |
| \$30,000 | 2_3,475 | 2_3,4_2,359 | 2_3,4_2,810 | 2_3,4_3,108 | 2_3,4_3,490 | 1_2,3,4_5,143 |
| \$40,000 | 3_2,218 | 3_4_30 | 3_4_150 | 3_4_280 | 3_4_428 | 1_3,4_2,637 |
| \$50,000 | 3_3,470 | 3_4,470 | 3_4,350 | 3_4,1,200 | 3_4,1,073 | 1_3_838 |
| \$75,000 | 3_7,384 | 3_4,650 | 3_4,575 | 3_4,490 | 3_4,403 | 1_3_2,523 |
| \$100,000 | 3_13,124 | 3_8,875 | 3_8,630 | 3_8,315 | 3_7,948 | 1_3_5,888 |
| EFFECTIVE RATE (percent) | | | | | | |
| Single person, no dependents: | | | | | | |
| \$5,000 | 2_7.1 | 2_7.7 | 2_7.7 | 2_7.7 | 2_7.7 | 1_2_13.7 |
| \$10,000 | 2_3.9 | 2_0.9 | 2_0.5 | 2_0.1 | 2_0.7 | 1_2_4.2 |
| \$20,000 | 9.6 | 7.3 | 7 | 6.8 | 6.5 | 2_3.3 |
| \$30,000 | 10.9 | 9.6 | 9.5 | 9.4 | 9.3 | 2_7.2 |
| \$40,000 | 12.5 | 10.4 | 10.2 | 10.1 | 10.1 | 2_8.5 |
| \$50,000 | 14.6 | 12.4 | 12.2 | 12.0 | 11.6 | 2_10.2 |
| \$75,000 | 17.4 | 15.1 | 15 | 14.8 | 14.6 | 2_13.7 |
| \$100,000 | 19.2 | 16.7 | 16.6 | 16.4 | 16.1 | 16.0 |
| Married couple, two dependents, with one spouse working: | | | | | | |
| \$5,000 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 1_2_64.0 |
| \$10,000 | 2_38.9 | 2_40.0 | 2_40.0 | 2_39.3 | 2_40.0 | 1_2_54.3 |
| \$20,000 | 2_3_11.7 | 2_4_23.2 | 2_4_24.9 | 2_4_21.2 | 2_4_27.0 | 1_2_4_37.4 |
| \$30,000 | 2_31.6 | 2_3,4_7.9 | 2_3,4_9.4 | 2_3,4_4.3 | 2_3,4_11.6 | 1_2,3,4_17.1 |
| \$40,000 | 3_5.5 | 3_4_0.1 | 3_4_0.4 | 3_41.6 | 3_4_1.1 | 1_3,4_6.6 |
| \$50,000 | 3_6.9 | 3_2.9 | 3_2.7 | 3_4.2 | 3_2.1 | 1_3_1.7 |
| \$75,000 | 3_9.8 | 3_6.2 | 3_6.1 | 3_6.9 | 3_5.9 | 1_3_3.4 |
| \$100,000 | 3_13.1 | 3_8.9 | 3_8.6 | 3_10.4 | 3_7.9 | 1_3_5.9 |
| MARGINAL TAX RATE (percent) | | | | | | |
| Single person, no dependents: | | | | | | |
| \$5,000 | - | 2_7.7 | 2_7.7 | 2_7.7 | 2_7.7 | 2_7.7 |
| \$10,000 | 2_22.7 | 2_17.7 | 2_17.7 | 2_17.7 | 2_17.7 | 2_17.7 |
| \$20,000 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| \$30,000 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| \$40,000 | 28.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| \$50,000 | 28.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| \$75,000 | 28.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| \$100,000 | 31.0 | 28.0 | 28.0 | 28.0 | 28.0 | 25.0 |
| Married couple, two dependents, with one spouse working: | | | | | | |
| \$5,000 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 |
| \$10,000 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 2_40.0 | 2_55.0 |
| \$20,000 | 2_3_21.1 | 2_4_6.1 | 2_4_6.1 | 2_4_6.1 | 2_4_6.1 | 2_3_6.1 |
| \$30,000 | 2_36.1 | 2_3,4_31.1 | 2_3,4_31.1 | 2_3,4_31.1 | 2_3,4_31.1 | 2_3,4_31.1 |
| \$40,000 | 15.0 | 3_4_15.0 | 3_4_15.0 | 3_4_15.0 | 3_4_15.0 | 3_4_31.1 |
| \$50,000 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| \$75,000 | 28.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| \$100,000 | 28.0 | 25.0 | 25.0 | 25.0 | 25.0 | 25.0 |

- Represents zero. ¹ Includes effect of the Recovery Rebate paid in 2008 under the Economic Stimulus Act of 2008 (P.L. 110-185). ² Includes effect from the refundable earned income credit. ³ Includes effect from the child tax credit. ⁴ Includes effect from the additional (refundable) child tax credit.