

Income and Federal Tax Rate Statistics in 2004

(based on 2000 inflated incomes)

Income groups	Average income (pre-tax)	Average tax rates (percent)				Total federal taxes	Income shares	
		Federal individual	Payroll (Social Security + Medicare) tax	Federal corporate	Federal estate and gift		Pre-tax income share	Post-tax income share
Full population (144 million tax units)	\$52,110	11.5	9.3	2.3	0.4	23.4	100.0	100.0
P20-40	\$15,897	-3.2	10.6	2.0	0.0	9.4	6.1	7.2
P40-60	\$29,870	3.2	11.2	1.7	0.0	16.1	11.5	12.6
P60-80	\$52,137	7.3	11.6	1.6	0.0	20.5	20.0	20.8
P80-90	\$83,012	9.2	11.9	1.6	0.0	22.7	15.9	16.1
P90-95	\$117,709	11.6	11.5	1.8	0.0	24.9	11.3	11.1
P95-99	\$199,033	16.4	8.1	2.5	0.1	27.2	15.3	14.5
P99-99.5	\$428,690	21.4	4.6	3.7	1.6	31.3	4.1	3.7
P99.5-99.9	\$863,607	23.8	3.0	4.3	1.9	33.0	6.6	5.8
P99.9-99.99	\$3,158,720	25.1	1.6	4.9	2.4	34.1	5.5	4.7
P99.99-100	\$18,113,612	26.2	1.4	4.6	2.5	34.7	3.5	3.0

Sources: Computations are based on income tax return statistics and NBER TAXSIM calculator.

Notes: Computations are based on incomes from 2000 adjusted for growth and using 2004 tax law. Families are ranked based on market income excluding realized capital gains and imputed payroll and corporate taxes. P20-40 denotes families between percentile 20th and percentile 40th of the income distribution (second quintile), etc. Average income includes realized capital gains and imputed payroll and corporate taxes. Tax rates are estimated relative to income including realized capital gains and imputed payroll and corporate taxes. Payroll tax includes employee and employer Social Security and Medicare taxes (excludes payroll taxes for unemployment and workers compensation).

Federal Tax Rates by Income Group from 1960 to 2004

<i>Income Groups</i>	<i>Average federal tax rates (percent)</i>					
	<i>1960</i>	<i>1970</i>	<i>1980</i>	<i>1990</i>	<i>2000</i>	<i>2004</i>
Full population	21.4	23.3	26.6	25.8	27.4	23.4
P20–40	13.9	18.5	16.3	16.2	13.1	9.4
P40–60	15.9	20.2	21.4	21.0	20.0	16.1
P60–80	16.7	20.7	24.5	24.3	23.9	20.5
P80–90	17.4	20.5	26.7	26.2	26.4	22.7
P90–95	18.7	21.4	27.9	27.9	28.7	24.9
P95–99	23.5	25.6	31.0	28.6	31.1	27.2
P99–99.5	34.0	36.1	37.6	31.5	35.7	31.3
P99.5–99.9	41.4	44.6	43.0	33.0	38.4	33.0
P99.9–99.99	55.3	59.1	51.0	34.3	40.2	34.1
P99.99–100	71.4	74.6	59.3	35.4	40.8	34.7

Notes: The table displays the average federal tax rate (including individual, corporate, payroll, and estate) for various groups of the income distribution, for various years. 2004 figures are based on 2004 tax law applied to 2000 incomes adjusted for economic growth.