

Individual Income Tax Rates and Shares, 2007

by Adrian Dungan and Kyle Mudry

Taxpayers filed 143.0 million returns for Tax Year 2007. This number does not include returns filed by individuals only to receive the economic stimulus payment and who had no other reason to file. Of these 143.0 million returns, 96.3 million (or 67.3 percent) were classified as taxable returns. A taxable return is a return that has total income tax greater than \$0. This represents an increase of 3.8 percent in the number of taxable returns from 2006. Adjusted gross income (AGI) on these taxable returns rose 8.5 percent to \$8,072 billion for 2007, while total income tax rose 9.0 percent to \$1,116 billion. The average tax rate for taxable returns was unchanged, at 13.8 percent.

The top 1 percent of taxpayers, those with an AGI of at least \$410,096, accounted for 22.8 percent of AGI for 2007. This represents an increase in income share of 0.8 percentage points from the previous year, when the cutoff for this group was for this group was \$388,806. These taxpayers accounted for 40.4 percent of the total income tax reported, an increase from 39.9 percent in 2006. The top 5 percent of taxpayers accounted for 37.4 percent of AGI and 60.6 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported an AGI of at least \$160,041, whereas, in 2006, the cutoff for this group was \$153,542.

This article discusses the individual income tax rates and tax shares and the computation of “total income tax” for 2007. To put this discussion into perspective, the article provides explanations of selected terms used in the article and describes the income tax structure, certain tax law changes, income and tax concepts (the 1979 Income Concept, modified taxable income, and marginal tax rates), the computation of alternative minimum taxable income, and data sources and limitations.

Income Tax Rates

Discussions of income tax rates generally center on measuring two distinct tax rates: average tax

rates and marginal tax rates. Average tax rates are calculated by dividing some measure of tax by some measure of income. For the statistics in this article, the average tax rate is total income tax (see *Explanation of Selected Terms*) divided by AGI reported on returns showing some income tax liability.

Measures of marginal tax rates, on the other hand, focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is the statutory rate at which the last dollar of taxable income is taxed. (See *Income and Tax Concepts* for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of the average and marginal tax rates in more detail, and discuss the statistics based on these rates for 2007.

Average Tax Rates

Figure A presents statistics for 1986 through 2007 on income (based on each year’s definition of AGI and on the common 1979 Income Concept) and taxes reported. (See *Income and Tax Concepts* for a more detailed explanation of the 1979 Income Concept.) These tax years can be partitioned into seven distinct periods:

- (1) Tax Year 1986 was the last year under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation, and the maximum tax rate was 50 percent.
- (2) Tax Year 1987 was the first year under the Tax Reform Act of 1986 (TRA86). For 1987, a 1-year, transitional, five-rate tax bracket structure was established with a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.
- (3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure.¹ The phase-in of the provisions of TRA86 continued with a maximum tax rate of 33 percent.

Adrian Dungan and Kyle Mudry are economists with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

¹ For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to a 33-percent tax rate to phase out the benefit of the 15-percent tax bracket (as compared to the 28-percent rate) and the deduction for personal exemptions. At the taxable income level where these benefits were completely phased out, the tax rate returned to 28 percent.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure A

Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1986–2007

[Money amounts are in billions of dollars, except where indicated]

Tax year	Total number of returns	Taxable returns								
		Number of returns	As a percentage of total returns [1]	Adjusted gross income (less deficit)	Total income tax	Average tax rate (percent) [2,3]	Average per return (whole dollars) [3]			
							Current dollars		Constant dollars [4]	
							Adjusted gross income (less deficit)	Total income tax	Adjusted gross income (less deficit)	Total income tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Using each tax year's adjusted gross income										
1986	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991
1987	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747
1988	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005
1989	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915
1990	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807
1991	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711
1992	113,604,503	86,731,946	76.3	3,484	476	13.7	40,168	5,491	28,630	3,914
1993	114,601,819	86,435,367	75.4	3,564	503	14.1	41,233	5,817	28,535	4,026
1994	115,943,131	87,619,446	75.6	3,737	535	14.3	42,646	6,104	28,776	4,119
1995	118,218,327	89,252,989	75.5	4,008	588	14.7	44,901	6,593	29,463	4,326
1996	120,351,208	90,929,350	75.6	4,342	658	15.2	47,750	7,239	30,433	4,614
1997	122,421,991	93,471,200	76.4	4,765	731	15.3	50,980	7,824	31,763	4,875
1998	124,770,662	93,047,898	74.6	5,160	789	15.3	55,458	8,475	33,836	5,171
1999	127,075,145	94,546,080	74.4	5,581	877	15.7	59,028	9,280	35,431	5,570
2000	129,373,500	96,817,603	74.8	6,083	981	16.1	62,832	10,129	36,488	5,882
2001	130,255,237	94,763,530	72.8	5,847	888	15.2	61,702	9,370	34,840	5,291
2002	130,076,443	90,963,896	69.9	5,641	797	14.1	62,015	8,762	34,472	4,870
2003	130,423,626	88,921,904	68.2	5,747	748	13.0	64,625	8,412	35,122	4,572
2004	132,226,042	89,101,934	67.4	6,266	832	13.3	70,318	9,337	37,225	4,943
2005	134,372,678	90,593,081	67.4	6,857	935	13.6	75,687	10,319	38,754	5,284
2006	**138,394,754	92,740,927	67.0	7,439	1,024	13.8	80,218	11,041	39,791	5,477
2007	**142,978,806	96,269,751	67.3	8,072	***1,116	13.8	83,851	11,588	40,449	5,590
Using 1979 Income Concept [5]										
1986	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991
1987	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747
1988	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005
1989	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915
1990	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807
1991	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711
1992	113,604,503	86,731,946	76.3	3,553	476	13.4	40,964	5,491	29,198	3,914
1993	114,601,819	86,435,367	75.4	3,625	503	13.9	41,938	5,817	29,023	4,026
1994	115,943,131	87,619,446	75.6	3,796	535	14.1	43,322	6,104	29,232	4,119
1995	118,218,327	89,252,989	75.5	4,075	588	14.4	45,655	6,593	29,957	4,326
1996	120,351,208	90,929,350	75.6	4,418	658	14.9	48,582	7,239	30,964	4,614
1997	122,421,991	93,471,200	76.4	4,849	731	15.1	51,875	7,824	32,321	4,875
1998	124,770,662	93,047,898	74.6	5,299	789	14.9	56,947	8,475	34,745	5,171
1999	127,075,145	94,546,080	74.4	5,736	877	15.3	60,666	9,280	36,414	5,570
2000	129,373,500	96,817,603	74.8	6,294	981	15.6	65,012	10,129	37,754	5,882
2001	130,255,237	94,763,530	72.8	5,943	888	14.9	62,716	9,370	35,413	5,291
2002	130,076,443	90,963,896	69.9	5,758	797	13.8	63,297	8,762	35,184	4,870
2003	130,423,626	88,921,904	68.2	5,849	748	12.8	65,777	8,412	35,749	4,572
2004	132,226,042	89,101,934	67.4	6,399	832	13.0	71,817	9,337	38,019	4,943
2005	134,372,678	90,593,081	67.4	7,016	935	13.3	77,448	10,319	39,656	5,284
2006	**138,394,754	92,740,927	67.0	7,640	1,024	13.4	82,379	11,041	40,863	5,477
2007	**142,978,806	96,269,751	67.3	8,282	***1,116	13.5	86,028	11,588	41,499	5,590

* Includes 742,859 Form 1040 EZ-T returns.

** The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

*** Revised from previously published value of 1,115.6

[1] Number of taxable returns (column 2) divided by total number of returns (column 1).

[2] Average tax rate is "total income tax" (column 5) divided by "adjusted gross income less deficit (AGI)" (column 4).

[3] The average adjusted gross income (less deficit), average total income tax, and average tax rate were calculated from unrounded data.

[4] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2007, the CPI-U=207.3.

[5] These statistics are based on adjusted gross income less deficit (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see Statistics of Income-Individual Income Tax Returns, for 1986-2007. See Figure G for components of the 1979 Income Concept.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

- (4) Tax Years 1991 and 1992 brought a three-rate tax bracket structure (with a maximum tax rate of 31 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper income taxpayers.
- (5) Tax Years 1993 through 1996 had a five-rate tax bracket structure (with a maximum statutory tax rate of 39.6 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper income taxpayers.
- (6) Tax Years 1997 through 2000 were subject to the Taxpayer Relief Act of 1997 which added three new capital gain tax rates to the previous rate structure to form a new eight-rate tax bracket structure (with maximum statutory tax rate of 39.6 percent). See *Income and Tax Concepts* for a more detailed description of the capital gain rates.
- (7) Tax Years 2001 through 2007 were affected by two new laws, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). EGTRRA included a new 10-percent tax rate bracket, as well as reductions in tax rates for brackets higher than 15 percent of one-half percentage point for 2001 and 1 percentage point for 2002. It also included increases in the child tax credit and an increase in alternative minimum tax exemptions. Tax Year 2003, under JGTRRA, saw additional rate reductions in ordinary marginal tax rates higher than the 15-percent rate, as well as expansions to particular income thresholds in the rates from 15 percent and below. Also, the rate for most long-term capital gains was reduced from 20 percent to 15 percent. Further, qualified dividends were taxed at this same 15-percent rate. These changes are detailed in the previously published article, “*Individual Income Tax Rates and Shares, 2003*” in Appendix C (under *Tax Rate Reduction*). Beginning in 2004, the Working Families Tax Relief Act increased the additional child tax credit refundability rate from 10 percent to 15 percent.

About 96.3 million, or 67.3 percent, of the 143.0 million individual returns filed for 2007 were classified as taxable returns. This was a 3.8-percent

increase in the number of taxable returns from 2006. Total AGI reported on taxable returns increased 8.5 percent to \$8,072 billion. Total AGI on taxable returns also rose using the 1979 Income Concept, increasing 8.4 percent to \$8,282 billion for 2007. Total income tax rose by over \$92 billion (9.0 percent) to \$1,116 billion for 2007. Average AGI for taxable returns rose to \$83,851 for 2007, a 4.5-percent increase from 2006. Average income tax also rose for 2007 by 5.0 percent to \$11,588.

In order to analyze the average tax rate over time, it is necessary to use a more consistent measure of income than AGI because some tax law changes resulted in the definition of AGI changing from year to year. The 1979 Income Concept controls for much of this variation in tax law, and its use provides a more consistent estimate of the average tax rate across years. Under the 1979 Concept, the average tax rate for 2007 rose to 13.5 percent from 13.4 percent for the previous year.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 13.8 percent for 2007. The average tax rate for the AGI-size classes ranged from 2.7 percent for the \$1 under \$10,000 AGI-size class to 23.4 percent for the \$500,000 under \$1,000,000 AGI-size class.

The average tax rate of 13.8 percent for 2007 for all income classes combined was unchanged from 2006. The average tax rate for taxable returns in every AGI class fell. The overall average rate remained the same despite this decline in each AGI class because individuals tended to move into higher income classes which, in turn, faced higher tax rates. For example, in 2007, the number of taxable returns in every positive AGI class between \$1 and under \$30,000 decreased, while all others increased, especially at the higher income levels. For instance, the number of taxable returns reporting an AGI of \$100,000 to \$200,000, \$200,000 to \$500,000, \$500,000 to \$1 million, and \$1 million or more all recorded increases of more than 10 percent from 2006.

Marginal Tax Rate Classifications

A return's marginal tax rate is the highest statutory tax rate bracket applicable to that tax return. Marginal tax rate statistics are presented in Figure C and Table 1. These statistics are based on individual income tax returns showing a positive taxable

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure B

Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2006 and 2007

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income				
		Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000
	(1)	(2)	(3)	(4)	(5)	(6)
Tax Year 2007:						
Number of taxable returns	96,273	6	4,209	11,464	11,593	21,213
Adjusted gross income (less deficit)	8,072,294	-5,805	27,596	172,061	289,357	837,794
Total income tax	*1,115,760	99	733	6,825	17,599	61,368
Average tax rate (percent) [2]	13.8	[3]	2.7	4.0	6.1	7.3
Tax Year 2006:						
Number of taxable returns	92,741	6	4,225	11,496	11,630	20,486
Adjusted gross income (less deficit)	7,439,473	-5,988	27,753	172,504	290,722	808,020
Total income tax	1,023,920	181	743	7,132	17,898	59,803
Average tax rate (percent) [2]	13.8	[3]	2.7	4.1	6.2	7.4
Change in:						
Number of taxable returns	3,529	-1	-16	-32	-37	727
Percent	3.8	0.1	-0.4	-0.3	-0.3	3.6
Adjusted gross income (less deficit)	632,821	182	-157	-443	-1,365	29,774
Percent	8.5	3.0	-0.6	-0.3	-0.5	3.7
Total income tax	91,682	-84	-10	-308	-299	1,565
Percent	9.0	-46.2	-1.3	-4.3	-1.7	2.6
Average tax rate:						
Percentage point change	0.1	[4]	[5]	-0.2	-0.1	-0.1

Tax year, item	Size of adjusted gross income				
	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
	(7)	(8)	(9)	(10)	(11)
Tax Year 2007:					
Number of taxable returns	29,877	13,386	3,484	649	391
Adjusted gross income (less deficit)	2,128,157	1,783,982	1,002,131	440,314	1,396,706
Total income tax	190,716	228,755	196,469	103,163	310,033
Average tax rate (percent) [2]	9.0	12.8	19.6	23.4	22.2
Tax Year 2006:					
Number of taxable returns	28,799	12,041	3,115	588	353
Adjusted gross income (less deficit)	2,044,851	1,600,506	893,337	398,745	1,209,023
Total income tax	184,463	209,381	177,041	94,214	273,064
Average tax rate (percent) [2]	9.0	13.1	19.8	23.6	22.6
Change in:					
Number of taxable returns	1,077	1,342	368	61	38
Percent	3.7	11.1	11.8	10.4	10.7
Adjusted gross income (less deficit)	83,307	183,476	108,794	41,569	187,683
Percent	4.1	11.5	12.2	10.4	15.5
Total income tax	6,252	19,306	19,340	8,949	36,970
Percent	3.4	9.2	10.9	9.5	13.5
Average tax rate:					
Percentage point change	-0.1	-0.3	-0.2	-0.2	-0.4

* Revised from previously published value of 1,115.6.

[1] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[2] Average tax rate is "total income tax" as a percentage of adjusted gross income less deficit (AGI). The average tax rate was calculated from unrounded data.

[3] Percentage not computed.

[4] Change not computed.

[5] Less than 0.05 percent.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure C

Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate, Tax Year 2007

[Money amounts are in thousands of dollars]

Marginal tax rate classes	Number of returns		Modified taxable income		Tax generated	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	110,522,670	100.0	6,063,577,664	100.0	1,155,426,356	100.0
5 percent	1,217,455	1.1	8,649,664	0.1	432,644	[1]
10 percent	26,959,864	24.4	147,461,550	2.4	14,191,152	1.2
10 percent (Form 8814) [2]	22,020	[1]	35,187	[1]	3,511	[1]
15 percent	42,548,493	38.5	1,139,049,451	18.8	146,622,194	12.7
15 percent (capital gains) [3]	8,946,737	8.1	580,612,637	9.6	75,803,625	6.6
25 percent	23,063,385	20.9	1,621,708,473	26.7	272,954,301	23.6
25 percent (capital gains)	395,082	0.4	77,861,645	1.3	12,786,301	1.1
28 percent	4,156,737	3.8	612,588,812	10.1	126,725,205	11.0
28 percent (capital gains)	63,895	0.1	10,560,986	0.2	1,986,511	0.2
33 percent	1,669,201	1.5	476,186,002	7.9	112,769,219	9.8
35 percent	1,060,714	1.0	1,383,928,292	22.8	390,256,995	33.8
Form 8615 [4]	419,089	0.4	4,934,964	0.1	894,700	0.1

[1] Less than 0.05 percent.

[2] Form 8814 was filed for a dependent child under age 18 for whom the parents made an election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$850 and \$8,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,700. The returns in this rate classification are not distributed by tax rate.

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

income amount based on “tax generated” and items of income that were subject to the regular income tax, generally those included in AGI.² The *Income and Tax Concepts* section of this article explains the determination of the marginal tax rate bracket into which a return is assumed to fall. Table 2 contains additional data based on ordinary tax rates and presents statistics on the income and tax generated at each ordinary tax rate by size of AGI.

For 2007, the number of individual returns with modified taxable income rose 3.6 percent to 110.5 million.³ The amount of modified taxable income reported on these returns increased 8.7 percent to \$6,063.6 billion. The tax generated on these returns rose by 8.9 percent to \$1,155.4 billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated (before reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in the *Income and Tax Concepts*).

Returns with modified taxable income in the 15-percent (ordinary income) marginal tax rate bracket contained the largest share of returns for 2007, at 38.5 percent. These returns reported 18.8

percent of modified taxable income for 2007 and 12.7 percent of income tax generated. Conversely, taxpayers in the 35-percent (ordinary income) marginal rate, the least represented bracket, accounted for only 1.0 percent of returns, but reported 22.8 percent of the modified taxable income and 33.8 percent of the tax generated (the largest of any tax bracket). The 10-percent (ordinary income) marginal rate bracket reported the second largest share of returns at 24.4 percent. However, such returns accounted for only 2.4 percent of modified income and 1.2 percent of income tax generated. With a 20.9-percent share of returns, making it the third largest bracket, the 25-percent (ordinary income) marginal rate bracket reported 26.7 percent of the modified taxable income and 23.6 percent of income tax generated. Returns in the 28-percent (ordinary income) marginal rate bracket represented 3.8 percent of the total share of returns and accounted for 10.1 percent of the modified taxable income and 11.0 percent of the generated income tax. Returns in the 33-percent (ordinary income) marginal rate bracket represented the second smallest share of ordinary tax rate

² Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, in some situations, the receipt of some forms of tax-exempt income, such as tax-exempt interest, could have influenced the taxability of other income, in particular Social Security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

³ The 2006 data are from Mudry, Kyle and Justin Bryan, Individual Income Tax Rates and Shares, 2006, *Statistics of Income Bulletin*, Winter 2009, Volume 28, Number 3, pp. 5–45.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

returns at 1.5 percent but accounted for 7.9 percent of the modified taxable income and 9.8 percent of the tax generated. Returns in the capital gain and dividends, 15-percent, 25-percent, and 28-percent tax brackets represented 8.5 percent of returns, and reported a total of 11.0 percent of modified taxable income and 7.8 percent of the tax.

As shown in Table 2, the total tax generated for 2007 at the 15-percent rate was more than any other rate. The 32.3 percent of income taxed at this rate was reported by 73.7 percent of returns with modified taxable income, producing 25.4 percent of tax generated. The 35-percent rate generated the next largest amount of income tax. Tax in that bracket was reported on only 1.0 percent of returns. However, 11.3 percent of all modified taxable income was taxed at this rate, generating 20.8 percent of tax generated. The 25-percent rate had the third largest amount of tax generated. Tax in that bracket was reported on 27.5 percent of returns,

with 13.9 percent of all modified taxable income taxed at this rate, generating 18.3 percent of the tax generated.

Components of Total Income Tax

Regular Tax

Regular tax is generally tax determined from a taxpayer's taxable income based on statutory tax rates. It does not include the alternative minimum tax (AMT) nor does it exclude allowable tax credits. Figure D illustrates the derivation of the aggregate tax generated for 2006 and 2007 returns. Table 1 includes two tax amounts: tax generated and income tax after credits. Tables 5 through 8 and Figures A and B include an additional measure of tax, total income tax, which also includes distributed tax on trust accumulations.

As shown (Figure D and column 5 of Table 1), the tax generated by applying statutory ordinary income

Figure D

Derivation of Tax Years 2006 and 2007 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Item	2006	2007	Percentage change
	(1)	(2)	(3)
Tax generated from tax rate schedules or tax table	1,061.3	1,155.4	8.9
PLUS:			
Tax on lump-sum distributions from qualified retirement plans	[1]	[1]	[2]
Alternative minimum tax	21.6	24.1	11.8
EQUALS:			
Income tax before credits	1,082.9	1,179.5	8.9
LESS: Tax credits, total [3]	58.9	63.8	8.2
Child-care credit	3.5	3.5	-0.1
Child tax credit [3]	31.7	31.6	-0.6
Education credit	7.0	6.9	-1.6
Foreign tax credit	11.0	15.4	40.9
General business credit	1.3	.8	-35.1
Earned income credit (limited to the amount needed to reduce total income tax to zero)	.8	.9	17.2
Credit for prior-year minimum tax	1.0	1.0	.3
Retirement savings contribution credit	.9	1.0	9.3
Other credits [4]	1.7	2.6	52.7
EQUALS:			
Income tax after credits	1,023.9	1,115.8	9.0
PLUS: Trusts accumulation distribution	[1]	[1]	[2]
EQUALS:			
Total income tax	1,023.9	1,115.8	9.0

* Revised from previously published value of 1,115.6.

[1] Less than \$0.05 billion.

[2] Percentage not computed.

[3] Does not include the additional child tax credit that for 2007 was \$16.69 billion which was refunded to taxpayers and not included in total income tax.

[4] Includes the elderly or disabled credit, empowerment zone and community renewal employment credit, mortgage interest credit, adoption credit, DC first time home buyer's credit, nonconventional source fuel credit, and other credits.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

and capital gain tax rates to modified taxable income was \$1,155.4 billion, a 8.9-percent increase from 2006.⁴ For most taxpayers, tax generated was equal to income tax before credits. However, for some taxpayers, income tax before credits included the alternative minimum tax (AMT) and/or special taxes on lump-sum distributions from qualified retirement plans (when a 10-year averaging method was used).⁵ The AMT increased 11.8 percent to \$24.1 billion for 2007. Income tax before credits was \$1,179.5 billion for 2007, up from \$1,082.9 billion, representing an 8.9-percent increase from 2006. Taxpayers used \$63.8 billion of tax credits to reduce their income tax before credits. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC that is refundable to the taxpayer because it exceeds the taxpayer's liability and any portion of the EIC used to reduce taxes other than income taxes are excluded from the computation of income tax after credits.⁶ Both income tax after credits (Figure D) and total income tax (the sum of income tax after credits and tax on trust accumulation distributions) totaled \$1,115.8 billion. These taxes both represented a 9.0-percent increase from 2006.

For returns with modified taxable income, Table 4a shows estimates of income tax before credits by the type of tax computation. It compares the amount of tax before credits (assuming that all taxable income is subject to regular tax rates) with the amount of tax before credits actually computed after reflecting both regular tax rates and any special tax computations that the taxpayer is either permitted or required to make. In particular, qualified dividends and long term capital gains are generally subject to lower tax rates and certain dependent tax filers are required to compute their tax as if their income were the marginal income of their parents or guardian.⁷ The capital gains computations generally reduce taxes; the special provision for certain dependent filers can only increase taxes.

For 2007, 85.3 million returns had their tax before credits computed using only regular income tax rates, compared with 82.3 million for 2006 which used only regular tax computations, an increase of 3.6 percent. The top portion of Table 4a shows the data for these returns. Since these returns used did not use any special tax computations, the difference due to special computation (shown in columns 4 and 8) is zero.

As shown in the middle section of Table 4a, for 2007, the number of returns with Schedule D (capital gains) and dividend tax computations increased by 3.3 percent from 22.5 million to 23.2 million. Taxpayers filing these tax returns paid \$125.7 billion (column 16) less in tax before credits than they would have paid if they had not received the benefits of the lower tax rates for qualified dividends and capital gains. This was up from the \$107.2 billion (column 12) in savings for 2006 from using these special tax rates. For these taxpayers, the average tax saving increased from \$4,776 for 2006 to \$5,420 for 2007.

As shown in the bottom section of Table 4a, for 2007, the number of tax returns filed by dependents under age 18 with Form 8615 for reporting investment income over \$1,700 increased 18.7 percent to 0.4 million. Form 8615 was used to compute the dependents tax as the dependents' income was the marginal income of the parent or guardian. This mandatory calculation can result in no change or an increase in tax before credits; it cannot lower the dependent's tax before credits. Thus, for Form 8615 filers, the difference in tax before credits due to special computations (column 4 for 2006 and column 8 for 2007) reflects the combination of the lower tax from use of the special tax rates for dividends and capital gains and the possibly higher tax from the required Form 8615 tax computation. The combination of the two offsetting provisions reduced taxes by \$17.3 million for 2006 and \$43.0 million for 2007. Table 4b shows the composition of the tax change for Form 8615 filers. For 2007, the net tax reduction was due to a tax reduction of \$339.7 million from use of dividend and capital gains, and a

⁴ Tax generated does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the Social Security and Medicare tax on income from self-employment), the Social Security tax on certain tip income, household employment taxes, tax from the recapture of prior-year investment, low-income housing or other credits, penalty tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans, and tax on trusts, accumulation, and distributions. The statistics for "total tax liability," shown in Bryan, Justin, *Individual Income Tax Returns: 2006, Statistics of Income Bulletin*, Fall 2008, Volume 28, Number 2, include these taxes.

⁵ The income amounts on which these special computations for lump-sum distributions were based were not reflected in current-year AGI or current-year taxable income.

⁶ For 2007, the total earned income credit was \$48.5 billion. This amount includes the amount used to reduce the income tax (\$0.9 billion), the amount used to reduce other taxes reported on individual income tax returns (\$5.1 billion), and the amount refunded to taxpayers (\$42.5 billion). Table 4 in Bryan, Justin, "Individual Income Tax Returns: 2007," *Statistics of Income Bulletin*, Fall 2009, Volume 29, Number 2, shows these amounts.

⁷ Dependents with income of over \$1,700 other than earned income could file their own returns but calculate their tax on other than earned income in excess of \$1,700 as if it were their parent's or guardian's marginal income. Form 8815 was used to compute the higher tax. For dependents with only modest amounts of investment income, the parent or guardian could elect to include the dependent's income on the parent's tax return, relieving the dependent of having to file his or her own tax return.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure E

Returns with Alternative Minimum Tax Computation Reported on Form 6251: Total Adjustments and Preferences, and Alternative Minimum Taxable Income and Tax, by Size of Adjusted Gross Income, Tax Years 2006 and 2007

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total adjustments and preferences [1]		Alternative minimum taxable income [1]		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Tax Year 2007						
All returns	8,325,185	218,756,003	9,526,358	2,432,176,844	4,108,964	24,109,512
Under \$1 [2]	109,278	2,292,737	132,102	-14,682,314	6,169	106,219
\$1 under \$10,000	110,137	218,211	362,739	1,221,138	1,466	2,864
\$10,000 under \$20,000	189,939	534,021	367,787	4,181,188	8,214	6,107
\$20,000 under \$30,000	214,709	832,026	349,632	7,043,005	5,666	8,629
\$30,000 under \$40,000	244,687	1,395,560	358,553	10,446,888	5,115	8,849
\$40,000 under \$50,000	241,378	1,381,231	315,227	12,246,893	7,134	12,879
\$50,000 under \$75,000	752,168	6,309,412	910,219	49,652,638	74,106	83,941
\$75,000 under \$100,000	788,244	8,771,119	885,845	68,031,169	136,851	192,099
\$100,000 under \$200,000	2,265,291	38,023,877	2,360,024	308,216,266	956,648	1,929,652
\$200,000 under \$500,000	2,697,391	69,838,422	2,758,934	748,763,224	2,461,091	12,215,802
\$500,000 under \$1,000,000	461,619	25,483,663	471,667	291,789,822	335,677	3,974,004
\$1,000,000 or more	250,341	63,675,721	253,630	945,266,926	110,825	5,568,462
Tax Year 2006						
All returns	7,649,456	193,574,256	8,681,086	2,171,427,757	3,966,540	21,564,586
Under \$1 [2]	100,438	2,059,227	130,121	-9,237,984	6,751	184,922
\$1 under \$10,000	115,896	180,034	340,907	924,822	3,226	2,594
\$10,000 under \$20,000	146,532	313,176	300,401	3,243,402	3,055	4,785
\$20,000 under \$30,000	191,041	554,570	308,991	6,368,615	4,180	14,627
\$30,000 under \$40,000	189,913	891,725	287,734	8,425,735	3,811	11,992
\$40,000 under \$50,000	228,166	1,338,984	297,476	11,597,576	7,816	17,190
\$50,000 under \$75,000	687,982	6,009,902	821,835	44,535,540	87,680	105,899
\$75,000 under \$100,000	699,213	7,455,989	762,821	57,955,216	129,240	180,430
\$100,000 under \$200,000	2,181,882	37,335,931	2,261,719	296,296,237	1,096,666	2,128,778
\$200,000 under \$500,000	2,470,712	62,142,281	2,519,195	674,603,146	2,242,146	10,982,445
\$500,000 under \$1,000,000	411,222	21,511,690	420,183	260,007,906	284,262	3,230,498
\$1,000,000 or more	226,457	53,780,747	229,704	816,707,547	97,710	4,700,425

[1] See Figures I and J for the calculation of alternative minimum taxable income and the list of alternative minimum tax adjustments and preferences.

tax increase of \$296.6 million from the Form 8615 tax computation. (Table 4b also includes data for 2005, the first year in which a net tax reduction occurred for Form 8615 filers.)

Alternative Minimum Tax

The Revenue Act of 1978 established the alternative minimum tax (AMT) to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The AMT provisions may recapture some of the tax reductions under the ordinary income tax. Form 6251, *Alternative Minimum Tax—Individuals*, is used to calculate

AMT. (See *Computation of Alternative Minimum Taxable Income* for an explanation of the computation of income for AMT purposes.)

Figure E presents statistics, by size of AGI, on the AMT reported by taxpayers filing Form 6251 with their returns. Some taxpayers included or were required to include Form 6251 even though their tax liability was not increased due to the AMT. The tabulations in Figure E include such forms. For 2007, AMT liability rose 11.8 percent to \$24.1 billion from \$21.6 billion in 2006. The number of returns that were subject to paying the AMT increased by 0.1 million for the period.⁸ Alternative Minimum Taxable Income (AMTI) increased 12.0

⁸ Other tax returns may not have had AMT liability but the size of their tax credits may have been reduced because of the AMT.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure F

Alternative Minimum Tax, Tax Years 1986–2007

[Tax rates are in percentages—money amounts are in thousands of dollars]

Tax year	Highest statutory alternative minimum tax rate	Alternative minimum tax	
		Number of returns	Amount
	(1)	(2)	(3)
1986	20	608,907	6,713,149
1987	21	139,779	1,674,898
1988	21	113,562	1,027,884
1989	21	117,483	831,012
1990	21	132,103	830,313
1991	24	243,672	1,213,426
1992	24	287,183	1,357,063
1993	28	334,615	2,052,790
1994	28	368,964	2,212,094
1995	28	414,106	2,290,576
1996	28	477,898	2,812,746
1997	[1] 28	618,072	4,005,101
1998	[1] 28	853,433	5,014,549
1999	[1] 28	1,018,063	6,477,697
2000	[1] 28	1,304,197	9,600,840
2001	[1] 28	1,120,047	6,756,705
2002	[1] 28	1,910,789	6,853,901
2003	[1] 28	2,357,975	9,469,803
2004	[1] 28	3,096,299	13,029,239
2005	[1] 28	4,004,756	17,421,071
2006	[1] 28	3,966,540	21,564,586
2007	[1] 28	4,108,964	24,109,512

[1] Top rate on most long-term capital gains was 20 percent, for 2003–07, 15 percent.

percent from 2006. In addition, the AMT increased the tax liability for some taxpayers who did not have any AMT liability by limiting certain business tax credits.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2007. Much of the variation in the number of taxpayers affected by the AMT and in the amount of AMT liability during the mid-to-late 1980s and early 1990s was attributable to tax law changes such as TRA86, Revenue Reconciliation Act of 1990 (RRA90), and the Omnibus Budget Reconciliation Act (OBRA93), which altered the AMT. Since then, the impact of the AMT has increased partially because the AMT exemptions have not been automatically indexed annually for the effects of inflation, whereas various parameters of the ordinary income tax (such as

tax brackets, exemptions, etc.) have been indexed annually for inflation. In both EGTRRA in 2001 and JGTRRA in 2003, AMT exemptions were increased, while ordinary tax rates declined. For 2004, 2005, 2006, and 2007, AMT levels rose to \$13.0 billion, \$17.4 billion, \$21.6 billion, and \$24.1 billion respectively. This year marks the sixth consecutive year of increases in AMT levels. Since 2001, the generated amount of the AMT has increased by a total of 256.8 percent. Also, during this same time, the number of returns paying AMT has more than tripled from 1.1 million to 4.1 million.

Income and Tax Shares

Historical statistics from 1986 through 2007 on income and tax by cumulative percentiles (based on numbers of returns) are presented in Tables 5 through 8. Distributions of AGI as defined for each year, and tax or income item, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, for tax years beginning in 1986.

Tables 5 and 7 are based on percentiles of returns cumulated downward from the highest income returns. The data in Tables 5 and 7 are shown for the top 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent of returns. New to Table 5 for 2007 is the inclusion of data for the top 0.1 percent of returns for Tax Years 2001 through 2007.

Tables 6 and 8 are based on returns cumulated upward from the lowest income returns. Data are shown for the bottom 50 percent, 75 percent, 90 percent, 95 percent, and 99 percent of all returns.

Consider, for example, the data in Table 5 for the 141.1 million returns filed for 2007 with positive AGI.⁹ The average tax rate for these returns was 12.7 percent, a 0.08-percentage point increase from 2006. (A sizable portion of returns with positive AGI are nontaxable, accounting for the difference in the computation of this particular average tax rate versus the 13.8-percent average tax rate for taxable returns only, shown in Figure A.) The average tax rate increased for the fourth year in a row after having fallen for the 3 previous years, bottoming out at 11.9 percent in 2003. Despite 4 years of overall average tax rate increases, the average tax rate paid by the

⁹ The percentile groupings of tax filers exclude returns with zero or negative AGI.

top 1 percent has decreased for the past 6 years. As expected for a graduated income tax system, the top 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent all recorded a larger share of the income tax burden than their respective shares of AGI. For 2007, the returns in the top 0.1 percent reported 11.9 percent of total AGI and 20.2 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$2,155,365. For 2006, the returns in this percentile group (i.e., those with at least \$2,044,689 in AGI) reported 11.2 percent of total AGI and 19.6 percent of total income tax.

For 2007, the returns in the top 1 percent reported 22.8 percent of total AGI and 40.4 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$410,096. For 2006, the returns in this percentile group (i.e., those with at least \$388,806 in AGI) reported 22.1 percent of total AGI and 39.9 percent of total income tax.

For 2007, the returns in the top 5-percent group (returns reporting AGI of \$160,041 or more) reported 37.4 percent of total AGI and 60.6 percent of income tax, compared to 36.7 percent and 60.1 percent, respectively, for 2006 (when the AGI floor was \$153,542). For 2007, returns in the top 10-percent group (returns with AGI of at least \$113,018) reported 48.1 percent of AGI and paid 71.2 percent of income tax. For 2006, the returns in this percentile group (with AGI of \$108,904 or more) reported 47.3 percent of total AGI and 70.8 percent of income tax. The top 50-percent group (reporting AGI of \$32,879 or more) accounted for 87.7 percent of AGI and paid almost all (97.1 percent) of the income tax for 2007.

The statistics by percentile in Tables 5 and 6 for years prior to 1991 and in Tables 7 and 8 for years prior to 1994 were estimated, using a mathematical technique called osculatory interpolation, applied to aggregated data tabulated by income-size classes, in order to distribute the tax returns within each class.¹⁰ For 1991 and later years, the statistics by percentiles in Tables 5 and 6, and Tables 7 and 8 for 1994 later years were computed based on an actual ranking of the returns in the statistical sample that served as the basis for Individual Statistics of

Income estimates. The same was done for tables 7 and 8 for 1994 and later years. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable for Tables 5 and 6. Similarly for Tables 7 and 8, pre-1994 and post 1993 data are believed to be comparable.

Appendix: Explanation of Selected Terms

This appendix provides brief explanations of the major tax concepts discussed in this article. For more extensive definitions, see *Individual Income Tax Returns 2007*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

Adjusted gross income—Adjusted gross income is total income, as defined by the Internal Revenue Code, less statutory adjustments (primarily business, investment, or certain other deductions, such as payments to a Keogh self-employed retirement plan, certain deductible contributions to an Individual Retirement Arrangement (IRA), self-employed health insurance deductions, and one-half of Social Security taxes for the self-employed). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and net amounts from such sources as business income, rents and royalties, and sales of capital assets.

Difference due to special tax computation—For this article, the tax difference is the amount of tax resulting from using provisions of one of the special tax computations (Form 8615 or Schedule D and qualified dividends) less the amount of tax that would have resulted from not having used any of these provisions (regular tax computation).

Dividends—Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks,

¹⁰ For an explanation of the osculatory interpolation technique, see Oh, H. Lock (1978), Osculatory Interpolation with a Monotonicity Constraint, 1977 Proceedings of the American Statistical Association, Section on Statistical Computing.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These conditions include: the dividend must have been paid by a U.S. corporation or a qualified foreign corporation; the stock ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent generally (or 5 percent for amounts that would otherwise have been taxed at the 10-percent or 15-percent regular income rates).

Form 8615 tax computation—Form 8615 was used to compute the tax on investment income of dependents under age 18 who had investment income of more than \$1,700. Generally, such income was taxed as the marginal income of the parents. Before 2006, this form was only for dependents under the age of 14.

Income tax before credits—This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, foreign-earned income tax worksheet, Schedule J, or Form 8615, plus Form (s) 8814, any additional taxes from Form 4972, and the alternative minimum tax.

Income tax before credits (regular tax computation)—This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional tax (tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was payable on investment income of children, for this concept, all the income was taxed at the child's rate rather than at the rate of the parents. When the Schedule D tax was payable on net long-term capital gains, the tax was based on the regular tax rates rather than the 5-percent, 15-percent, 25-percent, or 28-percent tax rate for capital gains. When tax was payable on a qualified dividend, the tax was based on regular tax rates instead of the maximum tax rate for qualified dividends, 15 percent (5 percent for amounts that would otherwise have

been taxed in the 10-percent tax bracket). This is in contrast to the computation of income tax before credits (see above) in which special tax computations such as those involved on Form 8615, Schedule D and qualified dividends are taken into account. See Table 4a.

Marginal tax rate—See *Income and Tax Concepts*.

Modified taxable income—See *Income and Tax Concepts*.

Regular tax computation—Depending on marital status and size of taxable income, the taxpayer used one of the four tax rate schedules (or an approximation from the tax table) to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Schedule D and qualified dividend tax computation—Schedule D was used to compute the 5-percent, 15-percent, 25-percent, and 28-percent taxes on net long-term capital gains (in excess of net short-term capital losses) if such computations were beneficial to the taxpayer. Any investment interest allocated to long-term capital gains (on Form 4952) was excluded from this computation. Qualified dividends were taxed at a maximum tax rate of 15 percent (5 percent for amounts that would otherwise have been taxed in the 15-percent bracket).

Taxable income—Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for nonitemizers or total itemized deductions. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

Taxable returns—A return is classified as taxable based on the presence of total income tax. The following additional taxes were not taken into account for this purpose: self-employment, household employment, Social Security, Railroad Retirement Tax Act (RRTA) taxes, tax from recomputing prior-year investment, low-income housing and a few other business credits, penalty taxes on Individual Retirement Arrangements, section 72 penalty taxes, advance earned income credit payments, or golden parachute payments (made to key employees as compensation under certain circumstances).

Tax generated—This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated

does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special tax on lump-sum distributions from qualified retirement plans or alternative minimum tax), tax generated equals income tax before credits.

Total income tax—This is the sum of income tax after credits and tax on accumulated trust distribution from Form 4970, less the portion of EIC used to offset other taxes, as well as the refundable portion of EIC (with tax limited to zero).

Income Tax Structure

Taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 2007 were generally based on the amount of gross income, filing status, age, dependency, and blindness.¹¹ By and large, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer or taxpayers (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 2007 if they had net earnings from self-employment of at least \$400; liability for Social Security or Medicare tax on unreported tip income; Social Security, Medicare, or Railroad Retirement tax on reported tip income or group-term life insurance; alternative minimum tax; tax on qualified retirement plan distributions, including an Individual Retirement Arrangement (IRA) or a Medical Savings Account (MSA); tax on the recapture of investment credit, low-income housing credit, or a few other business credits; recapture tax on the disposition of a home purchased with a Federally-subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization

that was exempt from Social Security taxes.

Gross income includes all income received as money, goods, property, or services that was not expressly exempt from tax.¹² Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses.¹³ Taxable income, the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

Income tax before credits is calculated from taxable income using: tax tables or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children's investment income; Schedule J for farmers and fishermen to income-average; foreign-earned income worksheet; Schedule D and Qualified Dividends worksheet for net long-term capital gains and qualified dividends; or some combination of the above. For 2007, the tax rates for each filing status were 5 percent, 10 percent, 15 percent, 25 percent, 26 percent, 28 percent, 33 percent, and 35 percent. The tax rates of 5 percent and 15 percent were used for qualified dividends and net long-term capital gains (in excess of net short-term capital losses). The 26-percent tax rate was only for the alternative minimum tax. Income tax before credits includes any alternative minimum tax.¹⁴

To calculate their Federal income tax liability for 2007, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than \$100,000 were required to use the tax table, while those with taxable income of \$100,000 or more were required to use the tax rate schedules.

¹¹ Taxpayers fall into one of five filing statuses: single; married filing jointly; married filing separately; head of household; or surviving spouse. Being age 65 or older or being legally blind affects the amount of the standard deduction and, hence, the filing requirements. Taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements, see Bryan, Justin, *Individual Income Tax Returns: 2007, Statistics of Income Bulletin*, Fall 2009, Volume 29, Number 2.

¹² As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross income from sole proprietorships and farming, income from partnerships and S corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, U.S. Individual Income Tax Return, concept of total income, which is a component of the adjusted gross income (AGI) calculation on Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from such items as business income and rents and royalties.

¹³ As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, moving expenses, the health insurance deduction for certain self-employed taxpayers, or one-half of self-employment tax.

¹⁴ Income tax before credits includes tax on lump-sum distributions from qualified retirement plans.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

The tax table was based on income tax brackets up to \$50 wide.¹⁵ The tax within each bracket was based on the tax calculated at the midpoint of the bracket and then rounded to the nearest whole dollar. As a result, the tax tables and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. Use of the tax tables could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules. For taxpayers using the tax tables with taxable income that was subject to the 33-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$8.25.¹⁶ However, for most taxpayers, the actual difference in tax was smaller.

Changes in Law for 2007

The definitions used in this article are generally the same as those in *Statistics of Income 2007, Individual Income Tax Returns* (IRS Publication 1304). The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2007 data presented in this article.

Additional child tax credits—Modifications were made to the additional child tax credit for 2007. In Tax Year 2006, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$11,300. For 2007, the limit was 15 percent of a taxpayer's earned income that exceeded \$11,750.

Alternative minimum tax (AMT)—For Tax Year 2007, the minimum exemption rose to \$66,250 for a married couple filing a joint return, up from \$62,550 in 2006, to \$44,350 for singles and heads of household, up from \$42,500, and to \$33,125 for a married person filing separately from \$31,275.

Domestic production activities deduction—For Tax Year 2007, the amount of qualified domestic production activities income that could have been deducted increased to 6 percent from 3 percent in 2006.

Earned income credit—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income

an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased to \$2,900 from \$2,800. The maximum credit for taxpayers with no qualifying children increased to \$428 from \$412. For these taxpayers, earned income and AGI had to be less than \$12,590 (\$14,590 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$106 to \$2,853, and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,716 from \$4,536. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$33,241 (\$35,241 for married filing jointly) for one qualifying child, or less than \$37,783 (\$39,783 for married filing jointly) for two or more qualifying children.

Exemption amount—For Tax Year 2007, the exemption amount increased by \$100 to \$3,400. Taxpayers lost a portion of their exemption benefits if their adjusted gross incomes were above certain amounts (\$117,300 for married persons filing separately, \$156,400 for single individuals, \$195,500 for heads of household, and \$234,600 for married persons filing jointly or qualifying widow(er)s). For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of their exemptions, so that the amount of each exemption could not be reduced to less than \$1,133. For 2005 and previous years, exemption amounts could be reduced to zero. The exemption for housing a person displaced by Hurricane Katrina did not apply for Tax Year 2007.

Health savings account deduction—For Tax Year 2007, contributions were not limited to the taxpayer's annual health plan deductible. The maximum HSA deduction increased by \$150 to \$2,850 (\$5,650, if family coverage, up \$200 from \$5,450). These limits were \$800 higher if the taxpayer was age 55 or older (\$1,600 if both spouses were 55 or older). There were also changes that allowed qualified HSA distributions for Tax Year 2007 from flexible spending accounts and individual retirement accounts.

Indexing—The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the

¹⁵ For taxable income between \$0 and \$5 and between \$5 and \$25, the tax brackets were \$5 and \$10 wide, respectively. For taxable income between \$25 and \$3,000, the brackets were \$25 wide. For taxable income above \$3,000, the brackets were \$50 wide.

¹⁶ For example, assume a taxpayer filing as married filing separately reported taxable income of \$99,050. Using the tax table, the tax would be \$22,278, but, using the tax rate schedules, the tax would be \$22,286.5, a difference of \$8.50.

tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. Also, the maximum amount of earnings subject to self-employment Social Security tax increased based on the percentage change in average covered earnings.

Individual retirement arrangement deduction—The phaseout range for IRA deductions for those covered by a retirement plan began at income of \$83,000 if married filing jointly or a qualifying window(er), up from \$75,000 in 2006. The phaseout range began at \$52,000 for a single person or head of household, up from \$50,000 in 2006, and \$0 for a married person filing a separate return. Taxpayers may have been able to deduct an additional \$3,000 if they participated in a 401(k) plan and their employers were in bankruptcy in an earlier year.

Itemized deductions—Taxpayers who had adjusted gross incomes above \$156,400 (\$78,200 if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2006 amounts of \$150,500 (\$75,250 if married filing separately). For Tax Year 2007 and 2006, the amount by which the deduction was reduced was only two-thirds of the amount of the reduction that would have otherwise applied (for 2005 and previous years).

Refundable prior-year minimum tax credit—New for 2007, a refundable credit was available to a taxpayer who had any unused minimum tax credit carryforward from 2004 or earlier years. The taxpayer could have qualified for the refundable credit for part or the entire unused amount, even if the total amount of the 2007 credit exceeded the tax liability amount. This credit was only available for individual taxpayers.

Standard deduction amount increased—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was higher for 2007 than it was in 2006. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2007, the standard deduction increased to \$10,700 for joint filers, up from \$10,300 in 2006. For single filers and married filing separately, the deduction amount increased to \$5,350 from \$5,150. For heads of households, the deduction was up \$300 to \$7,850. In addition, the additional standard deduction

Figure G

Components of the 1979 Income Concept, Tax Year 2007

Income or Loss:	
Salaries and wages [1]	
Interest [1]	
Dividends [1]	
Taxable refunds [1]	
Alimony received [1]	
Capital gain distributions not reported on Schedule D [1]	
Capital gains reported on Schedule D minus allowable losses [1]	
Other gains and losses (Form 4797) [1]	
Business net income or loss [1]	
Farm net income or loss [1]	
Rent net income or loss [1]	
Royalty net income or loss [1]	
Partnership net income or loss [1]	
S Corporation net income or loss [1]	
Farm rental net income or loss [1]	
Estate or trust net income or loss [1]	
Unemployment compensation [1]	
Depreciation in excess of straight-line depreciation [2]	
Total pension income [3, 4]	
Other net income or loss [5]	
Net operating loss [1]	
Deductions:	
Disallowed passive losses (Form 8582) [6]	
Moving expenses [1]	
Alimony paid [1]	
Unreimbursed business expenses [6]	

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2007.

[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

[4] Not fully included in AGI for Tax Year 2007.

[5] Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."

[6] Not included in AGI for Tax Year 2007.

for being 65 or older or blind was increased by \$50 per taxpayer for taxpayers filing single or head of household returns.

Income and Tax Concepts

As discussed *Income Tax Structure*, gross income is all income received that is not specifically excluded. Total income is the net amount of gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure H

Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2007

[Money amounts are in dollars]

Item	Amount
Adjusted gross income	410,000
Less: Exemption	[1] 1,133
Standard deduction	5,350
Equals: Taxable income	403,517
Tax based on tax rates for single taxpayers:	
First \$7,825 taxed at 10 percent	782.50
Next \$24,025 taxed at 15 percent	3,603.75
Next \$45,250 taxed at 25 percent	11,312.50
Next \$83,750 taxed at 28 percent	23,450
Next \$188,850 taxed at 33 percent	62,320.50
Next \$53,817 taxed at 35 percent	18,836
Total tax from tax rate schedule	120,305.25

[1] The exemption amount was limited to \$1,133 because AGI exceeded \$278,900.

1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the law changes, the 1979 Income Concept was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 2007 includes many income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes some nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns and disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept.¹⁷

Modified Taxable Income

This concept is relevant only for prior-year returns (about 5.0 million returns) or certain farm sole proprietor returns using income-averaging on Schedule J (about 71 thousand returns) or those returns with foreign-earned income having to use a worksheet to determine their taxes (about 165.6 thousand returns). For all other returns, modified taxable income is identical to taxable income.

This is the term used in the statistics to describe income subject to tax, the actual base on which tax is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the *Statistics of Income* sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year's tax law (which may reflect different tax rates and income concepts). For the statistics in this article, the taxable incomes reported on these prior-year returns and those filed with a Schedule J or foreign-earned income are modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates.

¹⁷ For more details on the income computation under the 1979 Income Concept for 2007, see Individual Income Tax Returns 2007, Statistics of Income Division, Internal Revenue Service, Publication 1304.

Marginal Tax Rates

Under the progressive U.S. income tax rate structure, different portions of taxable income are taxed at different rates. Figure H illustrates how income tax is determined for a single taxpayer with AGI of \$410,000 who used the standard deduction. As shown in the example, six different tax rates were applied to the taxable income to arrive at total tax. The first \$7,825 of taxable income were taxed at the 10-percent rate; the next \$24,025 of taxable income were taxed at the 15-percent rate; the next \$45,250 were taxed at the 25-percent rate; the next \$83,750 were taxed at the 28-percent rate; the next \$188,850 were taxed at the 33-percent rate; and the remaining \$53,817 were taxed at the 35-percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. In the example, the marginal tax rate is 35 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes which are not subject to the same treatment under tax laws, the marginal tax rate is not always apparent. For instance, investment income of a dependent under age 18 in excess of a specific amount is treated differently than salaries and wages of the same dependent. The investment income in excess of \$1,700 was taxed at the marginal tax rate of the parents, whereas the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends both on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received last. Additional complexity is added by the presence of such items as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal (highest) rate was the last income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows:

- (1) If a return showed taxable income, the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed.
- (2) If the return had no taxable income except for net long-term capital gains or qualified dividends and that amount was less than or equal to the 15-percent tax bracket limit, the return was defined as having a 5-percent marginal tax rate. If the return had taxable income (from other than net long-term capital gains) to which only the 15-percent tax rate applied, as well as net long-term capital gains to which the 25-percent rate on the net gain applied, the return was defined as having a marginal tax rate equal to the maximum rate at which the net gains were taxed. If the return had taxable income (from other than net long-term capital gains) to which the 25-percent tax rate applied as the highest rate, as well as net long-term capital gains to which the maximum 28-percent rate on net gain applied, the return was defined as having a 28-percent marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 25-percent applied, as well as net long-term capital gains to which the 28-percent rate on the net gain applied, the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed.
- (3) For returns of dependents with a Form 8615 attached when the use of this form resulted in the taxation of some of the dependent's income as if it were that of the parents, the return was classified as having a Form 8615 marginal tax rate (the returns in the Form 8615 classification are not distributed by tax rate).
- (4) For returns of parents choosing to report interest, dividend, and capital gain distribution incomes of their dependents under age 18 on their own (i.e., the parents') return using Form 8814, when the dependent's income generated the only tax liability on the parent's return, the return was classified with a Form 8814 marginal tax rate of 10 percent.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of net short-term capital losses) and/or qualified dividends, and presence of Form 8615 or Form 8814. Returns were classified into one of the following twelve mutually exclusive marginal tax rate categories: (1) 5-percent rate (capital gains); (2) 10-percent rate; (3) Form 8814 (10-percent rate with no tax liability other than that generated by the dependent's income); (4) 15-percent rate; (5) 15-percent rate (capital gains); (6) 25-percent rate; (7) 25-percent rate (capital gains); (8) 28-percent rate; (9) 28-percent rate (capital gains); (10) 33-percent rate; (11) 35-percent rate; and (12) Form 8615 (with income taxed at any rate).¹⁸

Table 1 presents statistics by marginal tax rate classification and filing status for returns with modified taxable income. For each marginal rate classification, modified taxable income and income tax generated were computed at all rates and at marginal rate. The at all rates computations (columns 3 and 5) show the total amounts of modified taxable income or tax generated, tabulated by the marginal tax rate specified; each tax rate classification is mutually exclusive. The at marginal rate computations (columns 4 and 6) show the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications. The alternative minimum tax was not included in the statistics by marginal tax rate.

For example, consider returns in the joint returns and returns of surviving spouses filing status that were included in the 35-percent marginal tax rate classification. The total modified taxable income for the estimated 894,936 returns in this classification at all rates was \$1,156.9 billion (column 3), and the total tax generated was \$325.8 billion (column 5). Approximately \$570.2 billion (column 4) of the modified taxable income were subject to tax at the marginal tax rate of 35 percent. This modified taxable income generated \$199.6

billion (column 6) in tax at the 35-percent tax rate, with the remainder generated at some or all of the lower eight tax rates.

Table 2 provides statistics on the tax generated, in total and at each tax rate bracket, for returns with modified taxable income. Returns in this table are classified by size of AGI. The tax generated at each tax rate was computed based on the modified taxable income for each individual return.

For example, the 3.5 million returns included in the \$200,000 under \$500,000 income-size classification showed total modified taxable income of \$820.8 billion and generated total tax of \$168.4 billion. Of this \$820.8 billion of modified taxable income, \$49.5 billion were taxed at 10 percent (ordinary tax rate); \$149.5 billion were taxed at 15 percent (ordinary tax rate); \$197.0 billion were taxed at 25-percent (ordinary tax rate); \$171.1 billion were taxed at 28-percent (ordinary tax rate); \$127.3 billion were taxed at the 33-percent rate; and \$11.6 billion were taxed at the 35-percent rate. Approximately \$6.4 billion were taxed at the 5-percent rate; \$105.3 billion were taxed at the 15-percent capital gain and qualified dividend rate; \$2.5 billion were taxed at the 25-percent capital gain rate; and \$0.2 billion were taxed at the 28-percent capital gain rate, with the remainder from tax related to Forms 8814 and 8615.

Table 3 presents statistics on the income and tax generated at each tax rate, by filing status, for returns with modified taxable income. Almost 0.9 million of the 46.3 million returns with modified taxable income filed jointly (including surviving spouses) had some income taxed at the 35-percent tax rate. For these returns, the taxable income subject to this rate was \$570.1 billion, and the tax generated was \$199.6 billion.

Computation of Alternative Minimum Taxable Income (AMTI)

AMTI was computed by adding certain tax preferences (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and adjustments (i.e., regular

¹⁸ For some taxpayers, the statutory marginal tax rate may differ from the effective marginal tax rate. For example, extra income received by certain taxpayers may result in the partial phaseout of their personal exemptions, as well as some of their itemized deductions. Therefore, an extra \$1 of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 35 percent, the effective marginal rate faced by the taxpayer would be somewhat higher.

tax deduction amounts recomputed or excluded for AMT purposes) to taxable income before any deductions were taken for personal exemptions (Figures I and J). Although itemized deductions for some taxpayers were limited for regular tax purposes, the full amounts of such itemized deductions were included as adjustments. To compensate for this, the overall limitation on itemized deductions was then subtracted from taxable income for AMT purposes. The net operating loss deduction was recomputed to allow for the exclusion of the tax preference items and adjustments used to reduce regular tax liability. The recomputed net operating loss deduction, termed the alternative net operating loss deduction, was limited to 90 percent of AMTI (with certain minor exceptions for 2007).

AMTI was reduced by an exemption amount which depended on the filing status of the individual and which was subject to phaseout at higher AMTI levels. The AMT exemption for single filers (and heads of households) for 2007 was \$44,350; for joint filers and surviving spouses, \$66,250; and for married persons filing separately, \$33,125. The exemption was reduced (but not below zero) by 25 percent of the amount by which the AMTI exceeded threshold levels of \$112,500 for single filers and heads of households, \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single or head of household, married filing jointly, and married filing separately, at \$289,900, \$415,000, and \$207,500, of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500 if married filing separately) of the remaining AMTI were subject to tax at a 26-percent rate, with any excess taxed at a 28-percent rate. However, capital gains and qualified dividends (recalculated for AMT purposes) that were taxed at lower rates (5 percent, 15 percent, and 25 percent) were taxed at these same rates for the AMT, with the rest of AMTI being taxed at the rates mentioned above (26 percent or 28 percent). The resulting tax was reduced by the alternative minimum tax foreign tax credit, which produced a tentative minimum tax.

Figure I

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2007

	Taxable income before deduction for personal exemptions
PLUS:	Adjustments and preferences (see Figure J)
PLUS:	Net operating loss deduction
MINUS:	Overall itemized deductions limitation
MINUS:	Alternative tax net operating loss deduction [1]
EQUALS:	Alternative minimum taxable income

[1] Limited to 90 percent of AMTI, except when depletion is present on Form 6251. In this case, AMTI is recalculated, and the alternative tax net operating loss deduction is limited to 90 percent of the recalculated amount.

Tentative minimum tax was further reduced by the individual's regular tax before credits (excluding tax on lump-sum distributions from qualified retirement plans) less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 18 with investment income over a certain amount who filed their own returns were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid if the parents included the dependents' incomes on their own tax returns. (Dependents filing their own returns were limited to an AMT exemption of \$6,300 plus their earned incomes. The dependent's AMT could be reduced if the parents had regular tax greater than the child's own tentative minimum tax, or if any other dependent under age 18 of the same parents had regular tax greater than this dependent's own tentative minimum tax.)

Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2007. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes.¹⁹ Returns

¹⁹ Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure J

Alternative Minimum Tax Adjustments and Preferences, Tax Year 2007

- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI)
- Deductions for State and local income, sales, real estate, personal property, and foreign taxes
- Mortgage interest adjustment on the worksheet from the Form 6251 instructions
- Miscellaneous itemized deductions subject to the 2-percent-of-AGI limitation
- Itemized deduction limitation on the worksheet from the Schedule A instructions
- Refunds of State and local income, sales, real estate, personal property, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over the adjusted basis (the result could be negative)
- Deduction for net operating loss from Form 1040
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excluded gain, under the section 1202 gain on qualified small business stock held more than 5 years, multiplied by 7 percent if sold after May 5, 2003, otherwise multiplied by 42 percent
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for AMT purposes (the result could be negative)
- Electing large partnerships, enter the amount from Schedule K-1 (Form 1065-B), box 6.
- Adjustment of gain or loss on property, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for AMT purposes (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax (AMT) purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Passive activity gains and losses allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account AMT adjustments and preference items and any AMT prior-year unallowed losses (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account AMT adjustments and preference items (the result could be negative)
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result is negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs were capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas, and geothermal wells, with exceptions for independent oil producers and royalty owners
- Excess of accelerated depreciation on property placed in service using pre-1987 rules over straight-line depreciation as refigured for AMT purposes
- Adjustment for taxable distributions received from a cooperative (total AMT patronage dividend and per-unit retain allocation adjustment)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Adjustment for charitable contributions of certain property for which section 170(e) of the Internal Revenue Code applies
- Adjustment for alcohol fuel credit included in taxable income (the amount is included as a negative)
- Adjustment for refigured tax shelter farm losses, taking into account AMT adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, including section 179 expense deduction, expenses for business or rental use of the home, conservation expenses, taxable IRA distributions, self-employed health insurance deduction, Keogh retirement plan or self-employed SEP deduction, and IRA deductions (the result could be negative)
- Deduction for alternative tax net operating loss

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Figure K

Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2007

[Coefficients of variation are percentages]

Size of adjusted gross income	Modified taxable income		Tax generated	Income tax after credits	Total income tax
	Number of returns	Amount			
	(1)	(2)	(3)	(4)	(5)
Total	0.13	0.11	0.13	0.14	0.14
Under \$2,000 [1]	5.11	6.08	6.67	9.17	9.29
\$2,000 under \$4,000	4.37	5.01	5.68	6.02	6.02
\$4,000 under \$6,000	3.49	5.25	6.18	6.87	6.87
\$6,000 under \$8,000	2.72	3.08	3.33	3.29	3.29
\$8,000 under \$10,000	2.15	2.91	3.06	3.33	3.33
\$10,000 under \$12,000	1.82	2.18	2.24	2.53	2.53
\$12,000 under \$14,000	1.85	2.01	2.07	2.23	2.23
\$14,000 under \$16,000	1.77	1.95	2.00	2.18	2.18
\$16,000 under \$18,000	1.76	1.93	1.98	2.22	2.22
\$18,000 under \$20,000	1.62	1.86	1.91	2.17	2.17
\$20,000 under \$25,000	0.99	1.12	1.16	1.37	1.37
\$25,000 under \$30,000	1.01	1.11	1.16	1.37	1.37
\$30,000 under \$40,000	0.75	0.81	0.85	0.96	0.96
\$40,000 under \$50,000	0.79	0.84	0.88	0.98	0.98
\$50,000 under \$75,000	0.49	0.53	0.57	0.63	0.63
\$75,000 under \$100,000	0.73	0.74	0.78	0.82	0.82
\$100,000 under \$200,000	0.54	0.54	0.56	0.57	0.57
\$200,000 under \$500,000	0.66	0.62	0.64	0.63	0.64
\$500,000 under \$1,000,000	0.94	0.85	0.88	0.88	0.88
\$1,000,000 under \$1,500,000	1.14	1.12	1.16	1.16	1.16
\$1,500,000 under \$2,000,000	0.82	0.83	0.88	0.87	0.87
\$2,000,000 under \$5,000,000	0.48	0.42	0.45	0.45	0.45
\$5,000,000 under \$10,000,000	0.53	0.46	0.49	0.49	0.49
\$10,000,000 or more	0.02	0.01	0.02	0.02	0.02

[1] Includes returns with adjusted gross deficit.

were then selected at rates ranging from 0.10 percent to 100 percent. The 2007 data are based on a sample of 336,226 returns and an estimated final population of 153,832,380 returns.²⁰ The corresponding sample and population for the 2006 data were 321,006 and 138,485,446 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data

provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CVs) are used to measure that magnitude. Figure K shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the Appendix to this issue of the *Bulletin*.

²⁰ This population includes an estimated 10,853,574 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling or were filed to receive a stimulus payment only. Individuals filing only for the stimulus payment who would not ordinarily have a legal requirement to file a Federal income tax return had to show on their returns at least \$3,000 of qualifying income (defined as wages, self-employment income, Social Security income, Railroad Retirement benefits, certain Veterans Affairs benefits, and nontaxable combat pay). In addition, they could not be claimed as a dependent on someone else's Federal tax return.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 1. Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate and by Filing Status, Tax Year 2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status, tax rate classes	Classified by the highest marginal rate at which tax was computed				
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated
			At all rates	At marginal rate	At all rates
	(1)	(2)	(3)	(4)	(5)
All returns					
All tax rates	110,522,670	8,491,580,039	6,063,577,664	2,145,433,536	1,155,426,356
5 percent	1,217,455	29,798,577	8,649,664	8,646,793	432,644
10 percent	26,959,864	566,120,926	147,461,550	136,305,703	14,191,152
10 percent (Form 8814) [2]	22,020	-89,303	35,187	35,187	3,511
15 percent	42,548,493	1,921,794,401	1,139,049,451	654,324,831	146,622,194
15 percent (capital gains) [3]	8,946,737	834,884,837	580,612,637	236,327,749	75,803,625
25 percent	23,063,385	2,169,151,514	1,621,708,473	271,453,534	272,954,301
25 percent (capital gains)	395,082	91,313,892	77,861,645	5,734,199	12,786,301
28 percent	4,156,737	757,902,410	612,588,812	45,224,138	126,725,205
28 percent (capital gains)	63,895	12,973,095	10,560,986	1,481,645	1,986,511
33 percent	1,669,201	560,594,488	476,186,002	95,430,327	112,769,219
35 percent	1,060,714	1,541,538,196	1,383,928,292	686,066,875	390,256,995
Form 8615 [4]	419,089	5,597,007	4,934,964	4,402,555	894,700
Joint returns and returns of surviving spouses					
All tax rates	46,255,106	5,706,435,876	4,176,489,069	1,422,389,862	825,515,544
5 percent	331,137	16,353,512	4,426,707	4,423,838	221,481
10 percent	7,438,247	252,923,001	63,626,598	57,312,382	6,048,206
10 percent (Form 8814) [2]	13,140	-125,162	25,707	25,707	2,565
15 percent	16,778,153	1,099,496,385	643,987,738	381,384,033	83,468,368
15 percent (capital gains) [3]	5,698,916	619,584,125	428,038,112	163,030,119	55,949,646
25 percent	11,128,933	1,387,659,294	1,022,554,280	143,412,717	170,452,268
25 percent (capital gains)	248,805	68,334,557	58,279,873	4,403,600	9,550,344
28 percent	2,407,244	517,673,585	413,006,161	23,562,091	83,986,486
28 percent (capital gains)	36,192	8,429,468	6,937,657	713,060	1,268,239
33 percent	1,279,402	447,999,926	378,663,990	73,948,962	88,758,559
35 percent	894,936	1,288,107,186	1,156,942,247	570,173,353	325,809,381
Form 8615 [4]	0	0	0	0	0

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 1. Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status, tax rate classes	Classified by the highest marginal rate at which tax was computed				
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated
			At all rates	At marginal rate	At all rates
	(10)	(11)	(12)	(13)	(14)
Returns of married persons filing separately					
All tax rates	2,316,588	174,786,395	132,896,167	61,018,002	27,279,793
5 percent	9,454	212,811	63,508	63,507	3,175
10 percent	** 347,884	** 5,599,017	** 1,414,300	** 1,344,496	** 137,955
10 percent (Form 8814) [2]	**	**	**	**	**
15 percent	1,118,618	35,606,288	21,409,159	12,655,971	2,773,737
15 percent (capital gains) [3]	100,272	18,068,132	14,073,434	11,599,450	2,014,742
25 percent	520,022	32,222,163	24,009,498	4,654,818	4,008,979
25 percent (capital gains)	9,367	2,439,634	2,034,392	186,619	332,913
28 percent	127,822	13,528,357	10,943,590	1,133,997	2,219,470
28 percent (capital gains)	28	190,441	160,262	45,030	29,991
33 percent	48,877	8,475,880	7,037,184	1,220,877	1,629,913
35 percent	34,244	58,443,673	51,750,840	28,113,238	14,128,918
Form 8615 [4]	0	0	0	0	0
Returns of heads of households					
All tax rates	13,911,458	593,759,651	321,647,669	141,505,376	50,139,880
5 percent	34,332	1,207,645	361,959	361,958	18,101
10 percent	5,914,054	137,989,642	31,805,469	31,325,209	3,157,103
10 percent (Form 8814) [2]	7,551	34,456	8,381	8,381	836
15 percent	6,062,968	249,878,915	135,594,021	67,683,290	16,943,732
15 percent (capital gains) [3]	376,726	26,574,015	17,398,262	6,355,900	2,233,111
25 percent	1,339,831	114,333,341	81,865,426	17,969,806	13,794,250
25 percent (capital gains)	16,759	2,960,546	2,444,505	195,236	415,852
28 percent	97,018	17,751,987	14,201,490	1,289,240	3,045,328
28 percent (capital gains)	464	279,597	239,449	75,320	48,613
33 percent	39,516	12,667,370	10,748,018	2,342,286	2,629,861
35 percent	22,240	30,082,136	26,980,689	13,898,750	7,853,093
Form 8615 [4]	0	0	0	0	0

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 1. Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status, tax rate classes	Classified by the highest marginal rate at which tax was computed—continued			
	Tax generated —continued	Income tax after credits		
		At marginal rate	Total	As a percentage of—
	Adjusted gross income less deficit			Modified taxable income
	(6)	(7)	(8)	(9)
All returns				
All tax rates	502,499,763	1,115,243,043	13.1	18.4
5 percent	432,340	416,632	1.4	4.8
10 percent	13,630,570	7,522,795	1.3	5.1
10 percent (Form 8814) [2]	3,511	5,838	[5]	16.6
15 percent	98,148,725	119,567,368	6.2	10.5
15 percent (capital gains) [3]	35,449,162	73,915,952	8.9	12.7
25 percent	67,863,384	267,300,999	12.3	16.5
25 percent (capital gains)	1,433,550	13,236,390	14.5	17.0
28 percent	12,662,759	129,908,316	17.1	21.2
28 percent (capital gains)	414,861	2,080,254	16.0	19.7
33 percent	31,492,008	118,115,448	21.1	24.8
35 percent	240,123,406	382,302,958	24.8	27.6
Form 8615 [4]	845,487	870,094	15.5	17.6
Joint returns and returns of surviving spouses				
All tax rates	355,332,070	800,258,687	14.0	19.2
5 percent	221,192	222,618	1.4	5.0
10 percent	5,731,238	2,959,540	1.2	4.7
10 percent (Form 8814) [2]	2,565	3,906	[5]	15.2
15 percent	57,207,605	65,776,351	6.0	10.2
15 percent (capital gains) [3]	24,454,518	53,944,493	8.7	12.6
25 percent	35,853,179	165,740,809	11.9	16.2
25 percent (capital gains)	1,100,900	9,881,523	14.5	17.0
28 percent	6,597,385	86,521,680	16.7	20.9
28 percent (capital gains)	199,657	1,322,162	15.7	19.1
33 percent	24,403,157	93,478,552	20.9	24.7
35 percent	199,560,674	320,407,053	24.9	27.7
Form 8615 [4]	0	0	[5]	[5]

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 1. Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status, tax rate classes	Classified by the highest marginal rate at which tax was computed				
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated
			At all rates	At marginal rate	At all rates
	(19)	(20)	(21)	(22)	(23)
Returns of single persons					
All tax rates	48,039,519	2,016,598,117	1,432,544,758	520,520,296	252,491,139
5 percent	842,532	12,024,609	3,797,490	3,797,490	189,887
10 percent	13,259,679	169,599,730	50,615,185	46,323,618	4,847,888
10 percent (Form 8814) [2]	* 1,328	* 10,937	* 1,097	* 1,097	* 110
15 percent	18,588,753	536,812,813	338,058,533	192,601,537	43,436,356
15 percent (capital gains) [3]	2,770,823	170,658,564	121,102,831	55,342,281	15,606,126
25 percent	10,074,600	634,936,716	493,279,269	105,416,193	84,698,803
25 percent (capital gains)	120,152	17,579,155	15,102,876	948,745	2,487,191
28 percent	1,524,652	208,948,481	174,437,572	19,238,809	37,473,922
28 percent (capital gains)	27,211	4,073,589	3,223,617	648,235	639,668
33 percent	301,406	91,451,312	79,736,809	17,918,202	19,750,886
35 percent	109,294	164,905,202	148,254,515	73,881,535	42,465,603
Form 8615 [4]	419,089	5,597,007	4,934,964	4,402,555	894,700

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 1. Returns with Modified Taxable Income: Tax Classified by Marginal Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Filing status, tax rate classes	Classified by the highest marginal rate at which tax was computed—continued			
	Tax generated —continued	Income tax after credits		
	At marginal rate	Total	As a percentage of—	
			Adjusted gross income less deficit	Modified taxable income
(24)	(25)	(26)	(27)	
Returns of single persons				
All tax rates	106,790,558	248,921,317	12.3	17.4
5 percent	189,875	184,145	1.5	4.8
10 percent	4,632,362	4,130,423	2.4	8.2
10 percent (Form 8814) [2]	* 110	[6]	[5]	[5]
15 percent	28,890,231	41,070,752	7.7	12.1
15 percent (capital gains) [3]	8,301,342	15,767,014	9.2	13.0
25 percent	26,354,048	84,381,026	13.3	17.1
25 percent (capital gains)	237,186	2,565,754	14.6	17.0
28 percent	5,386,867	37,869,516	18.1	21.7
28 percent (capital gains)	181,506	673,908	16.5	20.9
33 percent	5,913,007	20,142,460	22.0	25.3
35 percent	25,858,537	41,266,227	25.0	27.8
Form 8615 [4]	845,487	870,094	15.5	17.6

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[2] Form 8814 was filed for a dependent child under age 18 for whom the parents made the election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$850 and \$8,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,700. The returns in this rate classification are not distributed by tax rate.

[5] Percentage not computed.

[6] Less than \$500.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns [1]	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at specified rate
					5 percent
					Number of returns
	(1)	(2)	(3)	(4)	(5)
Total	110,522,670	6,063,258,900	6,063,577,664	1,155,426,356	13,218,466
Under \$2,000 [2]	332,748	164,298	166,720	12,262	213,691
\$2,000 under \$4,000	445,034	589,065	591,633	55,576	284,439
\$4,000 under \$6,000	752,121	825,645	830,583	82,659	213,758
\$6,000 under \$8,000	1,255,749	2,358,386	2,365,827	237,433	171,080
\$8,000 under \$10,000	1,963,300	3,862,844	3,863,476	383,317	158,664
\$10,000 under \$12,000	2,692,926	7,507,198	7,512,083	742,920	253,609
\$12,000 under \$14,000	2,632,537	11,271,107	11,278,007	1,119,567	283,458
\$14,000 under \$16,000	2,901,992	15,631,113	15,664,282	1,574,068	228,209
\$16,000 under \$18,000	2,915,121	19,265,678	19,277,209	1,967,035	224,953
\$18,000 under \$20,000	3,429,422	24,806,729	24,833,024	2,686,445	284,342
\$20,000 under \$25,000	8,699,878	82,519,144	82,600,910	9,410,901	783,511
\$25,000 under \$30,000	8,413,366	111,236,483	111,365,890	13,213,065	836,035
\$30,000 under \$40,000	14,210,556	271,345,502	271,539,022	33,595,654	1,638,233
\$40,000 under \$50,000	10,951,497	295,081,892	295,242,051	38,989,594	1,361,085
\$50,000 under \$75,000	19,275,761	762,128,981	762,668,625	109,405,381	2,973,904
\$75,000 under \$100,000	11,695,564	692,808,575	693,207,333	103,614,156	2,117,960
\$100,000 under \$200,000	13,427,748	1,313,151,574	1,313,908,303	234,282,751	928,359
\$200,000 under \$500,000	3,486,362	819,888,732	820,828,714	187,475,287	183,544
\$500,000 under \$1,000,000	649,556	383,494,383	383,498,334	101,567,991	43,963
\$1,000,000 under \$1,500,000	166,036	177,818,365	177,756,336	48,571,449	12,923
\$1,500,000 under \$2,000,000	70,607	108,291,334	108,155,427	29,625,196	6,149
\$2,000,000 under \$5,000,000	108,390	290,542,207	290,072,181	78,564,014	10,332
\$5,000,000 under \$10,000,000	28,029	172,395,312	172,069,163	44,508,547	3,439
\$10,000,000 or more	18,370	496,274,351	494,282,530	113,741,087	2,826

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	5 percent —continued	10 percent			10 percent (from Form 8814) [3]
	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns
	(7)	(8)	(9)	(10)	(11)
Total	3,846,537	108,976,046	1,101,417,525	110,141,753	200,937
Under \$2,000 [2]	4,613	167,081	68,875	6,888	2,235
\$2,000 under \$4,000	12,764	339,961	175,995	17,600	* 539
\$4,000 under \$6,000	15,053	657,010	330,194	33,019	* 1,290
\$6,000 under \$8,000	12,198	1,226,755	1,920,103	192,010	* 644
\$8,000 under \$10,000	14,079	1,914,546	3,419,874	341,987	* 644
\$10,000 under \$12,000	17,686	2,603,985	7,006,697	700,670	* 1,972
\$12,000 under \$14,000	21,774	2,558,458	10,649,784	1,064,978	* 3,243
\$14,000 under \$16,000	23,852	2,853,923	14,660,934	1,466,093	* 1,862
\$16,000 under \$18,000	31,586	2,860,439	17,256,442	1,725,644	* 1,977
\$18,000 under \$20,000	36,692	3,379,443	19,421,199	1,942,120	* 638
\$20,000 under \$25,000	98,985	8,558,934	55,620,508	5,562,051	* 2,835
\$25,000 under \$30,000	127,673	8,317,842	64,968,844	6,496,884	* 3,597
\$30,000 under \$40,000	265,198	14,116,727	132,493,776	13,249,378	9,392
\$40,000 under \$50,000	298,780	10,899,473	117,730,022	11,773,002	* 5,561
\$50,000 under \$75,000	778,161	19,175,579	238,251,902	23,825,190	25,891
\$75,000 under \$100,000	748,652	11,638,011	161,568,110	16,156,811	33,836
\$100,000 under \$200,000	841,552	13,303,994	192,045,728	19,204,573	56,108
\$200,000 under \$500,000	320,712	3,414,900	49,529,101	4,952,910	31,166
\$500,000 under \$1,000,000	89,512	625,231	9,063,293	906,329	9,496
\$1,000,000 under \$1,500,000	29,195	157,494	2,271,415	227,142	3,289
\$1,500,000 under \$2,000,000	14,745	65,957	948,757	94,876	1,298
\$2,000,000 under \$5,000,000	26,080	99,785	1,436,760	143,676	2,298
\$5,000,000 under \$10,000,000	9,133	24,882	356,121	35,612	651
\$10,000,000 or more	7,861	15,637	223,092	22,309	475

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	10 percent (from Form 8814) [3]—continued		15 percent		
	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(12)	(13)	(14)	(15)	(16)
Total	214,452	21,424	81,501,305	1,955,871,274	293,380,691
Under \$2,000 [2]	2,383	238	0	0	0
\$2,000 under \$4,000	* 1,834	* 183	0	0	0
\$4,000 under \$6,000	* 1,097	* 110	0	0	0
\$6,000 under \$8,000	* 1,035	* 103	* 644	* 1,933	* 290
\$8,000 under \$10,000	* 547	* 55	* 5,926	* 4,986	* 748
\$10,000 under \$12,000	* 3,721	* 371	* 6,215	* 9,621	* 1,443
\$12,000 under \$14,000	* 4,236	* 422	114,041	68,630	10,295
\$14,000 under \$16,000	* 1,999	* 199	207,947	407,342	61,101
\$16,000 under \$18,000	* 1,289	* 129	1,207,829	1,227,768	184,165
\$18,000 under \$20,000	* 1,027	* 102	1,881,152	4,568,284	685,243
\$20,000 under \$25,000	* 6,444	* 643	4,632,848	24,895,511	3,734,327
\$25,000 under \$30,000	* 5,343	* 534	5,210,498	43,611,269	6,541,690
\$30,000 under \$40,000	14,834	1,478	10,710,481	133,362,022	20,004,303
\$40,000 under \$50,000	* 6,183	* 618	9,881,234	158,555,521	23,783,328
\$50,000 under \$75,000	27,979	2,795	18,526,364	414,917,170	62,237,576
\$75,000 under \$100,000	36,559	3,650	11,522,171	412,508,073	61,876,211
\$100,000 under \$200,000	48,312	4,831	13,218,079	568,960,872	85,344,131
\$200,000 under \$500,000	29,710	2,972	3,392,912	149,536,305	22,430,446
\$500,000 under \$1,000,000	10,812	1,082	621,287	27,358,660	4,103,799
\$1,000,000 under \$1,500,000	3,744	374	156,351	6,868,337	1,030,251
\$1,500,000 under \$2,000,000	1,406	141	65,511	2,877,178	431,577
\$2,000,000 under \$5,000,000	2,641	264	99,395	4,365,156	654,773
\$5,000,000 under \$10,000,000	767	77	24,809	1,085,138	162,771
\$10,000,000 or more	552	55	15,613	681,499	102,225

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	15 percent (capital gains and qualified dividends)			25 percent	
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate
	(17)	(18)	(19)	(20)	(21)
Total	13,647,017	823,273,935	123,491,469	30,354,077	844,825,224
Under \$2,000 [2]	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	* 1,285	* 1,389
\$30,000 under \$40,000	* 3,578	* 1,188	* 178	15,223	39,669
\$40,000 under \$50,000	559,778	1,020,800	153,139	3,084,606	11,866,852
\$50,000 under \$75,000	1,700,186	8,865,988	1,329,952	6,063,040	84,489,708
\$75,000 under \$100,000	1,980,627	12,601,135	1,890,227	5,089,428	89,372,515
\$100,000 under \$200,000	5,985,050	69,738,086	10,460,887	11,869,038	404,202,458
\$200,000 under \$500,000	2,504,675	105,329,459	15,799,473	3,280,522	197,015,872
\$500,000 under \$1,000,000	556,222	80,999,037	12,149,866	600,078	36,453,451
\$1,000,000 under \$1,500,000	147,886	46,706,638	7,006,001	151,204	9,221,637
\$1,500,000 under \$2,000,000	64,441	31,816,302	4,772,447	63,688	3,869,808
\$2,000,000 under \$5,000,000	100,157	99,938,126	14,990,722	96,697	5,901,698
\$5,000,000 under \$10,000,000	26,632	74,252,854	11,137,929	24,107	1,467,803
\$10,000,000 or more	17,784	292,004,322	43,800,649	15,161	922,364

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	25 percent—continued	25 percent (capital gains)			28 percent
	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns
	(22)	(23)	(24)	(25)	(26)
Total	211,206,306	766,800	13,684,050	3,421,105	6,903,577
Under \$2,000 [2]	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0
\$25,000 under \$30,000	* 347	0	0	0	0
\$30,000 under \$40,000	9,917	0	0	0	0
\$40,000 under \$50,000	2,966,713	* 7,255	* 1,158	* 290	0
\$50,000 under \$75,000	21,122,427	47,958	37,563	9,396	5,016
\$75,000 under \$100,000	22,343,129	54,434	74,959	18,750	343,632
\$100,000 under \$200,000	101,050,615	278,261	894,639	223,692	2,637,965
\$200,000 under \$500,000	49,253,968	227,571	2,489,851	622,490	3,005,136
\$500,000 under \$1,000,000	9,113,363	76,124	1,810,101	452,534	571,117
\$1,000,000 under \$1,500,000	2,305,409	26,197	1,246,076	311,522	146,168
\$1,500,000 under \$2,000,000	967,452	12,736	749,240	187,312	61,538
\$2,000,000 under \$5,000,000	1,475,425	23,105	2,083,952	520,991	94,290
\$5,000,000 under \$10,000,000	366,951	7,399	1,339,744	334,937	23,672
\$10,000,000 or more	230,591	5,760	2,956,767	739,192	15,043

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	28 percent—continued		28 percent (capital gains)		
	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(27)	(28)	(29)	(30)	(31)
Total	293,630,590	82,216,565	84,709	3,053,662	855,031
Under \$2,000 [2]	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0
\$40,000 under \$50,000	0	0	* 2,639	* 1,121	* 314
\$50,000 under \$75,000	25,688	7,193	9,648	5,556	1,558
\$75,000 under \$100,000	1,987,439	556,483	8,291	14,062	3,939
\$100,000 under \$200,000	59,064,782	16,538,139	34,506	106,862	29,923
\$200,000 under \$500,000	171,111,273	47,911,156	18,354	222,628	62,336
\$500,000 under \$1,000,000	38,471,639	10,772,059	4,891	147,724	41,363
\$1,000,000 under \$1,500,000	9,853,515	2,758,984	2,228	228,450	63,966
\$1,500,000 under \$2,000,000	4,142,626	1,159,935	1,047	146,086	40,904
\$2,000,000 under \$5,000,000	6,356,985	1,779,956	1,857	485,120	135,834
\$5,000,000 under \$10,000,000	1,603,172	448,888	661	450,057	126,016
\$10,000,000 or more	1,013,470	283,772	587	1,245,995	348,879

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued				
	33 percent			35 percent	
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate
	(32)	(33)	(34)	(35)	(36)
Total	2,730,054	260,213,156	85,870,341	1,060,714	686,066,875
Under \$2,000 [2]	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0
\$40,000 under \$50,000	0	0	0	0	0
\$50,000 under \$75,000	0	0	0	0	0
\$75,000 under \$100,000	* 632	* 9,036	* 2,982	0	0
\$100,000 under \$200,000	83,810	1,389,317	458,475	1,150	7,072
\$200,000 under \$500,000	1,769,698	127,315,215	42,014,021	262,763	11,634,069
\$500,000 under \$1,000,000	546,010	81,466,690	26,884,008	486,086	105,713,527
\$1,000,000 under \$1,500,000	140,793	21,281,657	7,022,947	130,968	79,367,877
\$1,500,000 under \$2,000,000	59,431	9,020,232	2,976,677	56,139	54,159,111
\$2,000,000 under \$5,000,000	91,546	13,906,948	4,589,293	86,798	154,852,423
\$5,000,000 under \$10,000,000	23,238	3,549,271	1,171,259	22,252	87,700,116
\$10,000,000 or more	14,896	2,274,790	750,681	14,558	192,632,681

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 2. Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Tax generated at specified rate—continued			
	35 percent—continued	Form 8615 [4]		
	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(37)	(38)	(39)	(40)
Total	240,123,406	419,089	4,402,555	845,487
Under \$2,000 [2]	0	29,330	3,297	523
\$2,000 under \$4,000	0	147,915	158,641	25,012
\$4,000 under \$6,000	0	69,462	198,278	34,445
\$6,000 under \$8,000	0	48,498	198,821	32,775
\$8,000 under \$10,000	0	23,689	156,480	26,357
\$10,000 under \$12,000	0	16,683	138,354	22,627
\$12,000 under \$14,000	0	12,434	119,916	21,935
\$14,000 under \$16,000	0	9,720	117,007	22,641
\$16,000 under \$18,000	0	10,756	160,004	25,360
\$18,000 under \$20,000	0	7,011	108,803	22,105
\$20,000 under \$25,000	0	* 4,824	* 99,152	* 14,513
\$25,000 under \$30,000	0	9,652	225,965	45,469
\$30,000 under \$40,000	0	10,828	324,122	64,369
\$40,000 under \$50,000	0	* 2,519	* 85,561	* 12,672
\$50,000 under \$75,000	0	8,208	485,154	89,953
\$75,000 under \$100,000	0	* 659	* 63,419	* 12,641
\$100,000 under \$200,000	2,475	5,545	620,076	122,762
\$200,000 under \$500,000	4,071,924	* 721	* 201,269	* 32,709
\$500,000 under \$1,000,000	36,999,734	321	213,257	54,292
\$1,000,000 under \$1,500,000	27,778,757	* 115	* 123,121	* 36,882
\$1,500,000 under \$2,000,000	18,955,689	91	129,804	23,438
\$2,000,000 under \$5,000,000	54,198,348	88	220,795	48,643
\$5,000,000 under \$10,000,000	30,695,041	13	81,468	19,930
\$10,000,000 or more	67,421,438	* 6	* 169,792	* 33,433

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[2] Includes returns with adjusted gross deficit.

[3] Form 8814 was filed for a dependent child under age 18 for whom the parents made the election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$850 and \$8,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[4] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,700. The returns in this rate classification are not distributed by tax rate.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate class	All returns		
	Number of returns [1]	Income taxed at rate	Income tax generated at rate
	(1)	(2)	(3)
All tax rates	110,522,670	6,063,577,664	1,155,419,319
5 percent	13,218,466	76,924,366	3,846,218
10 percent	108,976,046	1,101,417,525	110,141,753
10 percent (Form 8814) [2]	200,937	214,452	21,424
15 percent	81,501,305	1,955,871,274	293,380,691
15 percent (capital gains) [3]	13,647,017	823,273,935	123,491,090
25 percent	30,354,077	844,825,224	211,206,306
25 percent (capital gains)	766,800	13,684,050	3,421,012
28 percent	6,903,577	293,630,590	82,216,565
28 percent (capital gains)	84,709	3,053,662	855,025
33 percent	2,730,054	260,213,156	85,870,342
35 percent	1,060,714	686,066,875	240,123,406
Form 8615 [4]	419,089	4,402,555	845,487
Tax rate class	Joint returns and returns of surviving spouses		
	Number of returns	Income taxed at rate	Income tax generated at rate
	(4)	(5)	(6)
All tax rates	46,255,106	4,176,489,069	825,513,633
5 percent	7,234,812	49,864,111	2,493,206
10 percent	45,790,928	657,038,351	65,703,835
10 percent (Form 8814) [2]	172,669	186,322	18,615
15 percent	38,291,311	1,288,990,928	193,348,639
15 percent (capital gains) [3]	8,779,609	614,497,492	92,174,624
25 percent	15,958,830	561,579,023	140,394,756
25 percent (capital gains)	533,453	10,903,977	2,725,994
28 percent	4,591,669	209,793,868	58,742,283
28 percent (capital gains)	53,879	1,826,711	511,479
33 percent	2,174,339	211,634,933	69,839,528
35 percent	894,936	570,173,353	199,560,674
Form 8615 [4]	0	0	0

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate class	Returns of married persons filing separately		
	Number of returns	Income taxed at rate	Income tax generated at rate
	(7)	(8)	(9)
All tax rates	2,316,588	132,896,167	27,279,640
5 percent	128,103	738,386	36,919
10 percent	2,299,664	16,606,493	1,660,649
10 percent (Form 8814) [2]	898	804	80
15 percent	1,949,320	31,596,498	4,739,475
15 percent (capital gains) [3]	224,675	34,009,661	5,101,449
25 percent	738,847	13,071,310	3,267,827
25 percent (capital gains)	12,174	396,199	99,050
28 percent	210,944	4,428,527	1,239,987
28 percent (capital gains)	426	79,967	22,391
33 percent	83,121	3,855,085	1,272,178
35 percent	34,244	28,113,238	9,839,633
Form 8615 [4]	0	0	0
Tax rate class	Returns of heads of households		
	Number of returns	Income taxed at rate	Income tax generated at rate
	(10)	(11)	(12)
All tax rates	13,911,458	321,647,669	50,139,193
5 percent	531,939	2,579,797	128,990
10 percent	13,857,509	120,254,029	12,025,403
10 percent (Form 8814) [2]	23,918	25,272	2,523
15 percent	7,937,689	120,606,660	18,090,999
15 percent (capital gains) [3]	366,630	17,375,353	2,606,303
25 percent	1,514,286	33,771,966	8,442,992
25 percent (capital gains)	23,049	275,505	68,876
28 percent	159,079	6,627,948	1,855,825
28 percent (capital gains)	873	79,357	22,220
33 percent	61,755	6,153,031	2,030,500
35 percent	22,240	13,898,750	4,864,562
Form 8615 [4]	0	0	0

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Tax rate class	Returns of single persons		
	Number of returns	Income taxed at rate	Income tax generated at rate
	(13)	(14)	(15)
All tax rates	48,039,519	1,432,544,758	252,486,854
5 percent	5,323,612	23,742,071	1,187,104
10 percent	47,027,944	307,518,651	30,751,865
10 percent (Form 8814) [2]	3,453	2,054	205
15 percent	33,322,985	514,677,189	77,201,578
15 percent (capital gains) [3]	4,276,102	157,391,429	23,608,714
25 percent	12,142,115	236,402,925	59,100,731
25 percent (capital gains)	198,124	2,108,368	527,092
28 percent	1,941,885	72,780,248	20,378,469
28 percent (capital gains)	29,531	1,067,626	298,935
33 percent	410,840	38,570,107	12,728,135
35 percent	109,294	73,881,535	25,858,537
Form 8615 [4]	419,089	4,402,555	845,487

[1] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[2] Form 8814 was filed for a dependent child under age 18 for whom the parents made an election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$850 and \$8,500) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,700. The returns in this rate classification are not distributed by tax rate.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4a. Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2006 and 2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2006			
	Income tax before credits (regular tax computation) [1]		Tax generated	Difference due to special tax computation [3]
	Number of returns	Amount	Amount	
	(1)	(2)	(3)	(4)
Returns with regular tax computation only				
Total	82,283,552	419,758,698	419,499,609	0
Under \$5,000 [4]	288,786	19,731	19,731	0
\$5,000 under \$10,000	3,482,283	558,817	558,816	0
\$10,000 under \$15,000	5,964,638	2,453,627	2,453,565	0
\$15,000 under \$20,000	7,279,957	5,347,153	5,346,923	0
\$20,000 under \$25,000	8,003,582	8,971,731	8,971,513	0
\$25,000 under \$30,000	7,395,670	12,092,082	12,090,886	0
\$30,000 under \$40,000	12,107,304	29,382,767	29,380,711	0
\$40,000 under \$50,000	8,717,227	31,871,571	31,870,452	0
\$50,000 under \$75,000	14,338,006	82,057,678	82,049,505	0
\$75,000 under \$100,000	7,549,229	67,565,889	67,547,352	0
\$100,000 under \$200,000	6,240,777	105,211,314	105,171,199	0
\$200,000 under \$500,000	815,335	43,592,552	43,530,488	0
\$500,000 under \$1,000,000	74,251	12,911,894	12,866,394	0
\$1,000,000 under \$1,500,000	13,332	4,589,295	4,578,779	0
\$1,500,000 under \$2,000,000	4,736	2,409,127	2,396,978	0
\$2,000,000 under \$5,000,000	7,115	6,531,176	6,501,066	0
\$5,000,000 under \$10,000,000	967	1,998,088	1,978,024	0
\$10,000,000 or more	356	2,194,206	2,187,226	0
Returns with Form 8615 tax computation				
Total	352,987	902,985	885,659	-17,326
Under \$5,000 [4]	181,301	39,027	47,623	8,596
\$5,000 under \$10,000	79,780	46,170	69,668	23,498
\$10,000 under \$15,000	33,649	43,483	58,843	15,360
\$15,000 under \$20,000	14,763	27,655	35,832	8,177
\$20,000 under \$25,000	* 9,577	* 24,562	* 37,631	13,069
\$25,000 under \$30,000	7,543	26,983	42,337	15,354
\$30,000 under \$40,000	8,489	40,875	63,337	22,462
\$40,000 under \$50,000	* 4,179	* 31,903	* 40,304	* 8,401
\$50,000 under \$75,000	* 3,430	* 38,356	* 35,872	* -2,484
\$75,000 under \$100,000	* 5,873	* 96,782	* 102,207	* 5,426
\$100,000 under \$200,000	* 2,862	* 91,601	* 68,564	* -23,038
\$200,000 under \$500,000	* 761	* 73,915	* 66,722	* -7,193
\$500,000 under \$1,000,000	* 521	* 107,362	* 70,447	* -36,915
\$1,000,000 under \$1,500,000	* 122	* 50,575	* 37,882	* -12,693
\$1,500,000 under \$2,000,000	* 33	* 18,179	* 13,939	* -4,240
\$2,000,000 under \$5,000,000	83	93,232	63,606	-29,625
\$5,000,000 under \$10,000,000	** 20	** 52,324	** 30,844	** -21,480
\$10,000,000 or more	**	**	**	**

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4a. Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2006 and 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2007			
	Income tax before credits (regular tax computation) [1]		Tax generated	Difference due to special tax computation [3]
	Number of returns [2]	Amount	Amount	
	(5)	(6)	(7)	(8)
Returns with regular tax computation only				
Total	85,256,426	445,903,492	445,570,364	0
Under \$5,000 [4]	305,392	20,784	20,784	0
\$5,000 under \$10,000	3,345,483	516,225	516,225	0
\$10,000 under \$15,000	6,041,460	2,335,767	2,335,723	0
\$15,000 under \$20,000	7,226,042	5,071,180	5,070,982	0
\$20,000 under \$25,000	7,905,371	8,701,237	8,700,931	0
\$25,000 under \$30,000	7,560,977	12,035,884	12,034,817	0
\$30,000 under \$40,000	12,548,910	30,001,525	29,997,596	0
\$40,000 under \$50,000	9,231,527	33,183,253	33,179,439	0
\$50,000 under \$75,000	14,895,856	84,205,898	84,184,288	0
\$75,000 under \$100,000	8,041,840	70,900,520	70,875,483	0
\$100,000 under \$200,000	7,102,912	118,557,994	118,470,193	0
\$200,000 under \$500,000	939,639	49,219,360	49,140,780	0
\$500,000 under \$1,000,000	83,226	14,170,581	14,135,737	0
\$1,000,000 under \$1,500,000	15,376	5,252,377	5,232,981	0
\$1,500,000 under \$2,000,000	4,803	2,388,020	2,375,881	0
\$2,000,000 under \$5,000,000	6,316	5,446,447	5,424,542	0
\$5,000,000 under \$10,000,000	981	1,960,810	1,955,171	0
\$10,000,000 or more	315	1,935,631	1,918,810	0
Returns with Form 8615 tax computation				
Total	419,089	912,711	869,685	-43,025
Under \$5,000 [4]	215,751	45,027	54,141	9,114
\$5,000 under \$10,000	103,144	56,675	83,241	26,566
\$10,000 under \$15,000	34,321	40,854	59,313	18,458
\$15,000 under \$20,000	22,283	43,278	59,738	16,460
\$20,000 under \$25,000	* 4,824	* 13,542	* 14,741	* 1,199
\$25,000 under \$30,000	9,652	30,975	45,884	14,909
\$30,000 under \$40,000	10,828	46,199	64,729	18,529
\$40,000 under \$50,000	* 2,519	* 13,802	* 12,789	* -1,013
\$50,000 under \$75,000	8,208	93,194	90,228	-2,966
\$75,000 under \$100,000	* 659	* 14,038	* 12,669	* -1,368
\$100,000 under \$200,000	5,545	141,881	122,860	-19,021
\$200,000 under \$500,000	* 721	* 58,093	* 32,729	* -25,364
\$500,000 under \$1,000,000	321	67,937	54,294	-13,642
\$1,000,000 under \$1,500,000	* 115	* 40,699	* 36,885	* -3,814
\$1,500,000 under \$2,000,000	91	43,530	23,439	-20,091
\$2,000,000 under \$5,000,000	88	75,446	48,644	-26,802
\$5,000,000 under \$10,000,000	13	28,240	19,930	-8,310
\$10,000,000 or more	* 6	* 59,302	* 33,433	* -25,868

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4a. Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2006 and 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2006			
	Income tax before credits (regular tax computation) [1]		Tax generated	Difference due to special tax computation [3]
	Number of returns	Amount	Amount	
	(9)	(10)	(11)	(12)
Returns with Schedule D and qualified dividends tax computation				
Total	22,454,716	718,631,459	611,385,367	-107,246,092
Under \$5,000 [4]	111,011	15,628	11,468	-4,160
\$5,000 under \$10,000	242,149	68,368	54,123	-14,245
\$10,000 under \$15,000	452,701	197,873	168,989	-28,883
\$15,000 under \$20,000	545,920	442,355	378,009	-64,346
\$20,000 under \$25,000	691,658	818,782	725,292	-93,490
\$25,000 under \$30,000	774,299	1,309,110	1,150,340	-158,770
\$30,000 under \$40,000	1,519,769	3,779,834	3,418,595	-361,238
\$40,000 under \$50,000	1,723,174	6,623,279	6,077,079	-546,200
\$50,000 under \$75,000	4,242,132	26,806,712	24,869,995	-1,936,716
\$75,000 under \$100,000	3,468,933	33,797,175	31,508,122	-2,289,054
\$100,000 under \$200,000	5,687,194	114,413,162	107,019,167	-7,393,996
\$200,000 under \$500,000	2,213,703	135,163,659	121,345,632	-13,818,027
\$500,000 under \$1,000,000	484,755	88,966,725	76,975,222	-11,991,503
\$1,000,000 under \$1,500,000	126,768	44,892,947	37,817,421	-7,075,526
\$1,500,000 under \$2,000,000	54,002	27,989,726	23,213,317	-4,776,409
\$2,000,000 under \$5,000,000	82,486	76,242,725	62,056,547	-14,186,177
\$5,000,000 under \$10,000,000	20,987	45,474,554	35,326,266	-10,148,288
\$10,000,000 or more	13,076	111,628,845	79,269,782	-32,359,064

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4a. Returns with Modified Taxable Income: Tax Classified by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2006 and 2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2007			
	Income tax before credits (regular tax computation) [1]		Tax generated	Difference due to special tax computation [3]
	Number of returns [2]	Amount	Amount	
	(13)	(14)	(15)	(16)
Returns with Schedule D and qualified dividends tax computation				
Total	23,185,940	798,175,316	672,502,091	-125,673,225
Under \$5,000 [4]	119,838	16,928	12,527	-4,401
\$5,000 under \$10,000	242,449	73,634	56,640	-16,994
\$10,000 under \$15,000	446,252	189,191	160,120	-29,070
\$15,000 under \$20,000	484,768	409,867	342,575	-67,292
\$20,000 under \$25,000	640,219	754,780	647,232	-107,548
\$25,000 under \$30,000	740,169	1,212,746	1,067,838	-144,909
\$30,000 under \$40,000	1,548,146	3,795,718	3,431,011	-364,707
\$40,000 under \$50,000	1,659,232	6,281,936	5,714,138	-567,798
\$50,000 under \$75,000	4,250,858	26,842,517	24,711,566	-2,130,951
\$75,000 under \$100,000	3,578,485	34,809,225	32,278,934	-2,530,291
\$100,000 under \$200,000	6,167,661	122,172,987	113,814,946	-8,358,041
\$200,000 under \$500,000	2,444,729	148,971,879	134,008,989	-14,962,891
\$500,000 under \$1,000,000	533,158	97,256,067	83,854,468	-13,401,599
\$1,000,000 under \$1,500,000	139,691	49,122,179	41,275,559	-7,846,619
\$1,500,000 under \$2,000,000	59,966	30,979,184	25,747,586	-5,231,598
\$2,000,000 under \$5,000,000	91,729	84,778,446	68,562,496	-16,215,951
\$5,000,000 under \$10,000,000	23,522	50,780,176	39,210,926	-11,569,250
\$10,000,000 or more	15,068	139,727,856	97,604,540	-42,123,316

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to prevent disclosure of certain taxpayer information.

[1] Includes special taxes (tax on lump sum distributions from Form 4972 and tax on election to report child's interest and dividends, Form 8814) not included in tax generated.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] The difference between the amount of tax resulting from using provisions of one of the special tax computations and the amount of tax resulting from the regular tax computation.

[4] Includes returns with adjusted gross deficit.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation and Size of Adjusted Gross Income, Tax Years 2005-2007

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Type of tax computation by size of adjusted gross income	Tax Year 2007					
	Number of returns	Income tax before credits, (regular tax computation) [1]	Tax generated with Schedule D computation [2]	Tax differences due to regular tax computation vs. with Schedule D computation	Tax generated	Tax differences due to Form 8615 computation vs. with Schedule D computation
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with Form 8615 tax computation						
Total	419,089	912,711	573,048	-339,663	869,685	296,637
Under \$5,000 [3]	215,751	45,027	27,937	-17,090	54,141	26,204
\$5,000 under \$10,000	103,144	56,675	35,547	-21,128	83,241	47,694
\$10,000 under \$15,000	34,321	40,854	26,028	-14,826	59,313	33,285
\$15,000 under \$20,000	22,283	43,278	25,207	-18,071	59,738	34,531
\$20,000 under \$25,000	* 4,824	* 13,542	* 6,381	* -7,161	* 14,741	* 8,360
\$25,000 under \$30,000	9,652	30,975	18,502	-12,473	45,884	27,382
\$30,000 under \$40,000	10,828	46,199	28,910	-17,289	64,729	35,819
\$40,000 under \$50,000	* 2,519	* 13,802	* 7,599	* -6,203	* 12,789	* 5,190
\$50,000 under \$75,000	8,208	93,194	59,262	-33,932	90,228	30,966
\$75,000 under \$100,000	* 659	* 14,038	* 10,151	* -3,887	* 12,669	* 2,518
\$100,000 under \$200,000	5,545	141,881	94,713	-47,168	122,860	28,147
\$200,000 under \$500,000	* 721	* 58,093	* 30,621	* -27,472	* 32,729	* 2,108
\$500,000 under \$1,000,000	321	67,937	48,161	-19,776	54,294	6,133
\$1,000,000 under \$1,500,000	* 115	* 40,699	* 34,408	* -6,291	* 36,885	* 2,477
\$1,500,000 under \$2,000,000	91	43,530	20,652	-22,878	23,439	2,787
\$2,000,000 under \$5,000,000	88	75,446	46,481	-28,965	48,644	2,163
\$5,000,000 under \$10,000,000	13	28,240	19,425	-8,815	19,930	505
\$10,000,000 or more	* 6	* 59,302	* 33,064	* -26,238	* 33,433	* 369
	Tax Year 2006					
Type of tax computation by size of adjusted gross income	Number of returns	Income tax before credits, (regular tax computation) [1]	Tax generated with Schedule D computation [2]	Tax differences due to regular tax computation vs. with Schedule D computation	Tax generated	Tax differences due to Form 8615 computation vs. with Schedule D computation
	(7)	(8)	(9)	(10)	(11)	(12)
Returns with Form 8615 tax computation						
Total	352,987	902,985	595,014	-307,971	885,659	290,645
Under \$5,000 [3]	181,301	39,027	24,820	-14,207	47,623	22,803
\$5,000 under \$10,000	79,780	46,170	30,653	-15,517	69,668	39,015
\$10,000 under \$15,000	33,649	43,483	25,674	-17,809	58,843	33,169
\$15,000 under \$20,000	14,763	27,655	16,030	-11,625	35,832	19,802
\$20,000 under \$25,000	* 9,577	* 24,562	* 14,887	* -9,675	* 37,631	* 22,744
\$25,000 under \$30,000	7,543	26,983	15,374	-11,609	42,337	26,963
\$30,000 under \$40,000	8,489	40,875	27,859	-13,016	63,337	35,478
\$40,000 under \$50,000	* 4,179	* 31,903	* 21,684	* -10,219	* 40,304	* 18,620
\$50,000 under \$75,000	* 3,430	* 38,356	* 25,492	* -12,864	* 35,872	* 10,380
\$75,000 under \$100,000	* 5,873	* 96,782	* 76,869	* -19,913	* 102,207	* 25,338
\$100,000 under \$200,000	* 2,862	* 91,601	* 51,785	* -39,816	* 68,564	* 16,779
\$200,000 under \$500,000	* 761	* 73,915	* 56,764	* -17,151	* 66,722	* 9,958
\$500,000 under \$1,000,000	* 521	* 107,362	* 66,371	* -40,991	* 70,447	* 4,076
\$1,000,000 under \$1,500,000	* 122	* 50,575	* 36,053	* -14,522	* 37,882	* 1,829
\$1,500,000 under \$2,000,000	* 33	* 18,179	* 13,235	* -4,944	* 13,939	* 704
\$2,000,000 under \$5,000,000	83	93,232	61,219	-32,013	63,606	2,387
\$5,000,000 under \$10,000,000	** 20	** 52,324	** 30,244	** -22,080	** 30,844	** 600
\$10,000,000 or more	**	**	**	**	**	**

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation and by Size of Adjusted Gross Income, Tax Years 2005-2007—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Tax Year 2005					
	Number of returns	Income tax before credits, (regular tax computation) [1]	Tax generated with Schedule D computation [2]	Tax differences due to regular tax computation vs. with Schedule D computation	Tax generated	Tax differences due to Form 8615 computation vs. with Schedule D computation
	(13)	(14)	(15)	(16)	(17)	(18)
Returns with Form 8615 tax computation						
Total	141,612	443,840	302,464	-141,376	419,425	116,961
Under \$5,000 [3]	75,994	14,233	9,339	-4,894	18,545	9,206
\$5,000 under \$10,000	30,456	18,043	11,490	-6,553	29,306	17,816
\$10,000 under \$15,000	13,373	15,450	9,306	-6,144	18,249	8,943
\$15,000 under \$20,000	* 4,553	* 8,614	* 6,913	* -1,701	* 14,033	* 7,120
\$20,000 under \$25,000	* 3,213	* 8,887	* 7,295	* -1,592	* 14,336	* 7,041
\$25,000 under \$30,000	* 3,240	* 11,754	* 8,825	* -2,929	* 18,576	* 9,751
\$30,000 under \$40,000	* 2,549	* 12,425	* 8,158	* -4,267	* 17,239	* 9,081
\$40,000 under \$50,000	* 1,872	* 10,764	* 7,247	* -3,517	* 14,354	* 7,107
\$50,000 under \$75,000	* 2,528	* 29,939	* 18,238	* -11,701	* 27,754	* 9,516
\$75,000 under \$100,000	* 624	* 9,548	* 8,062	* -1,486	* 13,259	* 5,197
\$100,000 under \$200,000	* 1,549	* 44,966	* 26,339	* -18,627	* 33,637	* 7,298
\$200,000 under \$500,000	* 1,228	* 96,553	* 63,524	* -33,029	* 75,326	* 11,802
\$500,000 under \$1,000,000	* 305	* 62,680	* 50,024	* -12,656	* 54,636	* 4,612
\$1,000,000 under \$1,500,000	* 82	* 33,970	* 26,663	* -7,307	* 28,066	* 1,403
\$1,500,000 under \$2,000,000	* 16	* 7,785	* 3,424	* -4,361	* 3,477	* 53
\$2,000,000 under \$5,000,000	* 19	* 21,829	* 16,629	* -5,200	* 17,161	* 532
\$5,000,000 under \$10,000,000	* 8	* 18,603	* 9,353	* -9,250	* 9,525	* 172
\$10,000,000 or more	* 3	* 17,795	* 11,636	* -6,159	* 11,946	* 310

* Estimate should be used with caution due to the small number of sample returns on which it is based.

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Includes special taxes (tax on lump sum distributions from Form 4972 and tax on election to report child's interest and dividends, Form 8814) not included in tax generated.
[2] For returns that did not have Schedule D worksheet, the regular tax computation was used to calculate tax generated. For 2007, 45,012 returns had no worksheet. For 2006, 43,766 returns had no worksheet. For 2005, 23,115 returns had no worksheet.

[3] Includes returns with adjusted gross deficit.

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

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns [1]:							
1986	102,087,623	102,088	1,020,876	5,104,381	10,208,762	25,521,906	51,043,811
1987	106,154,761	106,155	1,061,548	5,307,738	10,615,476	26,538,690	53,077,380
1988	108,872,859	108,873	1,088,729	5,443,643	10,887,286	27,218,214	54,436,429
1989	111,312,721	111,313	1,113,127	5,565,636	11,131,272	27,828,181	55,656,361
1990	112,812,262	112,812	1,128,123	5,640,613	11,281,226	28,203,066	56,406,132
1991	113,804,104	113,804	1,138,041	5,690,205	11,380,410	28,451,026	56,902,052
1992	112,652,759	112,653	1,126,528	5,632,638	11,265,276	28,163,190	56,326,380
1993	113,681,387	113,681	1,136,814	5,684,069	11,368,139	28,420,347	56,840,694
1994	114,989,920	114,990	1,149,899	5,749,496	11,498,992	28,747,480	57,494,960
1995	117,274,186	117,274	1,172,742	5,863,709	11,727,419	29,318,546	58,637,093
1996	119,441,767	119,442	1,194,418	5,972,088	11,944,177	29,860,442	59,720,884
1997	121,503,284	121,503	1,215,033	6,075,164	12,150,328	30,375,821	60,751,642
1998	123,775,831	123,776	1,237,758	6,188,792	12,377,583	30,943,958	61,887,915
1999	126,008,974	126,009	1,260,090	6,300,449	12,600,897	31,502,244	63,004,487
2000	128,227,143	128,227	1,282,271	6,411,357	12,822,714	32,056,786	64,113,572
2001	128,817,051	128,817	1,288,171	6,440,853	12,881,705	32,204,263	64,408,526
2002	128,323,986	128,324	1,283,240	6,416,199	12,832,399	32,080,997	64,161,993
2003	128,609,786	128,610	1,286,098	6,430,489	12,860,979	32,152,447	64,304,893
2004	130,371,156	130,371	1,303,712	6,518,558	13,037,116	32,592,789	65,185,578
2005	132,611,637	132,612	1,326,116	6,630,582	13,261,164	33,152,909	66,305,819
2006	135,719,160	135,719	1,357,192	6,785,958	13,571,916	33,929,790	67,859,580
2007	[2] 141,070,971	141,071	1,410,710	7,053,549	14,107,097	35,267,743	70,535,486
Adjusted gross income floor on percentiles (current dollars):							
1986	N/A	[6]	118,818	62,377	48,656	32,242	17,302
1987	N/A	[6]	139,289	68,414	52,921	33,983	17,768
1988	N/A	[6]	157,136	72,735	55,437	35,398	18,367
1989	N/A	[6]	163,869	76,933	58,263	36,839	18,993
1990	N/A	[6]	167,421	79,064	60,287	38,080	19,767
1991	N/A	[6]	170,139	81,720	61,944	38,929	20,097
1992	N/A	[6]	181,904	85,103	64,457	40,378	20,803
1993	N/A	[6]	185,715	87,386	66,077	41,210	21,179
1994	N/A	[6]	195,726	91,226	68,753	42,742	21,802
1995	N/A	[6]	209,406	96,221	72,094	44,207	22,344
1996	N/A	[6]	227,546	101,141	74,986	45,757	23,174
1997	N/A	[6]	250,736	108,048	79,212	48,173	24,393
1998	N/A	[6]	269,496	114,729	83,220	50,607	25,491
1999	N/A	[6]	293,415	120,846	87,682	52,965	26,415
2000	N/A	[6]	313,469	128,336	92,144	55,225	27,682
2001	N/A		1,324,487	292,913	127,904	92,754	28,528
2002	N/A		1,191,673	285,424	126,525	92,663	28,654
2003	N/A		1,262,760	295,495	130,080	94,891	29,019
2004	N/A		1,548,941	328,049	137,056	99,112	30,122
2005	N/A		1,848,791	364,657	145,283	103,912	30,881
2006	N/A		2,044,689	388,806	153,542	108,904	31,987
2007	N/A		2,155,365	410,096	160,041	113,018	32,879

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Adjusted gross income floor on percentiles (constant dollars) [3]:							
1986	N/A	[6]	108,411	56,913	44,394	29,418	15,786
1987	N/A	[6]	122,614	60,224	46,585	29,915	15,641
1988	N/A	[6]	132,828	61,484	46,861	29,922	15,526
1989	N/A	[6]	132,152	62,043	46,986	29,709	15,317
1990	N/A	[6]	128,096	60,493	46,126	29,135	15,124
1991	N/A	[6]	124,919	60,000	45,480	28,582	14,756
1992	N/A	[6]	129,654	60,658	45,942	28,780	14,828
1993	N/A	[6]	128,522	60,475	45,728	28,519	14,657
1994	N/A	[6]	132,069	61,556	46,392	28,841	14,711
1995	N/A	[6]	137,406	63,137	47,306	29,007	14,661
1996	N/A	[6]	145,026	64,462	47,792	29,163	14,769
1997	N/A	[6]	156,222	67,320	49,353	30,014	15,198
1998	N/A	[6]	164,427	69,999	50,775	30,877	15,553
1999	N/A	[6]	176,119	72,537	52,630	31,792	15,855
2000	N/A	[6]	182,038	74,527	53,510	32,070	16,075
2001	N/A	747,875	165,394	72,221	52,374	31,669	16,108
2002	N/A	662,409	158,657	70,331	51,508	31,351	15,928
2003	N/A	686,283	160,595	70,696	51,571	31,165	15,771
2004	N/A	819,979	173,663	72,555	52,468	31,785	15,946
2005	N/A	946,642	186,716	74,390	53,206	31,781	15,812
2006	N/A	1,014,231	192,860	76,162	54,020	32,094	15,867
2007	N/A	1,039,732	197,827	77,203	54,519	32,095	15,861
Adjusted gross income (millions of dollars):							
1986	2,524,124	[6]	285,197	608,467	886,510	1,490,173	2,103,569
1987	2,813,728	[6]	346,635	722,221	1,038,221	1,709,389	2,373,869
1988	3,124,156	[6]	473,527	890,702	1,232,536	1,950,860	2,657,865
1989	3,298,858	[6]	468,079	918,421	1,286,539	2,054,478	2,805,235
1990	3,451,237	[6]	483,252	953,337	1,338,032	2,144,177	2,932,537
1991	3,516,142	[6]	456,603	943,350	1,343,202	2,174,765	2,984,003
1992	3,680,552	[6]	523,586	1,031,093	1,443,784	2,299,401	3,131,400
1993	3,775,578	[6]	520,586	1,048,252	1,474,463	2,357,953	3,212,299
1994	3,961,146	[6]	546,700	1,103,084	1,552,205	2,481,074	3,371,352
1995	4,244,607	[6]	619,610	1,222,723	1,704,513	2,689,820	3,627,542
1996	4,590,527	[6]	736,545	1,393,805	1,909,149	2,952,637	3,944,383
1997	5,023,457	[6]	872,826	1,597,107	2,151,401	3,267,600	4,327,992
1998	5,469,211	[6]	1,010,245	1,796,647	2,393,716	3,589,600	4,721,430
1999	5,909,329	[6]	1,152,820	2,011,763	2,652,835	3,927,308	5,126,164
2000	6,423,977	[6]	1,336,773	2,267,403	2,955,386	4,313,786	5,589,755
2001	6,241,036	505,752	1,094,296	1,996,492	2,690,589	4,071,034	5,379,286
2002	6,113,778	431,644	985,781	1,867,787	2,553,475	3,935,504	5,244,029
2003	6,287,586	476,041	1,054,567	1,960,676	2,663,470	4,078,227	5,407,851
2004	6,875,123	628,522	1,306,417	2,299,595	3,049,275	4,546,401	5,952,781
2005	7,507,958	799,403	1,591,711	2,683,934	3,487,010	5,069,455	6,544,824
2006	8,122,040	911,054	1,791,886	2,977,714	3,843,144	5,535,830	7,105,599
2007	8,798,500	1,049,358	2,008,259	3,294,542	4,227,839	6,045,354	7,720,213

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total income tax (millions of dollars): [4]							
1986	366,979	[6]	94,491	156,240	200,703	278,976	343,289
1987	369,046	[6]	91,559	159,642	205,230	283,857	346,655
1988	412,761	[6]	113,841	188,303	236,411	321,297	389,145
1989	432,838	[6]	109,259	190,188	241,458	334,258	407,599
1990	447,061	[6]	112,338	195,088	247,514	344,340	421,075
1991	448,349	[6]	111,267	194,480	250,282	346,511	423,759
1992	476,163	[6]	131,156	218,479	276,213	373,700	452,070
1993	502,720	[6]	145,836	238,083	297,808	398,516	478,563
1994	534,754	[6]	154,337	254,106	317,902	425,402	509,256
1995	588,331	[6]	178,035	287,741	357,402	472,808	561,225
1996	658,124	[6]	212,626	335,433	411,404	535,164	629,684
1997	727,303	[6]	241,239	377,241	459,639	594,007	696,161
1998	788,452	[6]	274,009	424,506	512,836	651,964	755,240
1999	877,292	[6]	317,419	486,464	583,002	732,890	842,168
2000	980,521	[6]	366,929	553,670	660,150	823,706	942,179
2001	887,882	142,616	300,898	472,823	576,163	736,053	852,642
2002	796,862	122,975	268,608	428,680	523,812	668,558	768,963
2003	747,939	117,275	256,340	406,597	492,452	627,380	722,027
2004	831,890	145,118	306,902	475,224	567,273	705,915	804,471
2005	934,703	180,008	368,132	557,759	657,085	803,772	906,028
2006	1,023,739	200,281	408,369	615,680	724,740	883,153	993,176
2007	* 1,115,760	225,239	450,926	676,293	794,432	965,875	1,083,499
Average tax rate (percentage): [5]							
1986	14.54	[6]	33.13	25.68	22.64	18.72	16.32
1987	13.12	[6]	26.41	22.10	19.77	16.61	14.60
1988	13.21	[6]	24.04	21.14	19.18	16.47	14.64
1989	13.12	[6]	23.34	20.71	18.77	16.27	14.53
1990	12.95	[6]	23.25	20.46	18.50	16.06	14.36
1991	12.75	[6]	24.37	20.62	18.63	15.93	14.20
1992	12.94	[6]	25.05	21.19	19.13	16.25	14.44
1993	13.32	[6]	28.01	22.71	20.20	16.90	14.90
1994	13.50	[6]	28.23	23.04	20.48	17.15	15.11
1995	13.86	[6]	28.73	23.53	20.97	17.58	15.47
1996	14.34	[6]	28.87	24.07	21.55	18.12	15.96
1997	14.48	[6]	27.64	23.62	21.36	18.18	16.09
1998	14.42	[6]	27.12	23.63	21.42	18.16	16.00
1999	14.85	[6]	27.53	24.18	21.98	18.66	16.43
2000	15.26	[6]	27.45	24.42	22.34	19.09	16.86
2001	14.23	28.20	27.50	23.68	21.41	18.08	15.85
2002	13.03	28.49	27.25	22.95	20.51	16.99	14.66
2003	11.90	24.64	24.31	20.74	18.49	15.38	13.35
2004	12.10	23.09	23.49	20.67	18.60	15.53	13.51
2005	12.45	22.52	23.13	20.78	18.84	15.86	13.84
2006	12.60	21.98	22.79	20.68	18.86	15.95	13.98
2007	12.68	21.46	22.45	20.53	18.79	15.98	14.03

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Adjusted gross income share (percentage):							
1986	100.00	[6]	11.30	24.11	35.12	59.04	83.34
1987	100.00	[6]	12.32	25.67	36.90	60.75	84.37
1988	100.00	[6]	15.16	28.51	39.45	62.44	85.07
1989	100.00	[6]	14.19	27.84	39.00	62.28	85.04
1990	100.00	[6]	14.00	27.62	38.77	62.13	84.97
1991	100.00	[6]	12.99	26.83	38.20	61.85	84.87
1992	100.00	[6]	14.23	28.01	39.23	62.47	85.08
1993	100.00	[6]	13.79	27.76	39.05	62.45	85.08
1994	100.00	[6]	13.80	27.85	39.19	62.64	85.11
1995	100.00	[6]	14.60	28.81	40.16	63.37	85.46
1996	100.00	[6]	16.04	30.36	41.59	64.32	85.92
1997	100.00	[6]	17.38	31.79	42.83	65.05	86.16
1998	100.00	[6]	18.47	32.85	43.77	65.63	86.33
1999	100.00	[6]	19.51	34.04	44.89	66.46	86.75
2000	100.00	[6]	20.81	35.30	46.01	67.15	87.01
2001	100.00	8.10	17.53	31.99	43.11	65.23	86.19
2002	100.00	7.06	16.12	30.55	41.77	64.37	85.77
2003	100.00	7.57	16.77	31.18	42.36	64.86	86.01
2004	100.00	9.14	19.00	33.45	44.35	66.13	86.58
2005	100.00	10.65	21.20	35.75	46.44	67.52	87.17
2006	100.00	11.22	22.06	36.66	47.32	68.16	87.49
2007	100.00	11.93	22.83	37.44	48.05	68.71	87.74
Total income tax share (percentage):							
1986	100.00	[6]	25.75	42.57	54.69	76.02	93.54
1987	100.00	[6]	24.81	43.26	55.61	76.92	93.93
1988	100.00	[6]	27.58	45.62	57.28	77.84	94.28
1989	100.00	[6]	25.24	43.94	55.78	77.22	94.17
1990	100.00	[6]	25.13	43.64	55.36	77.02	94.19
1991	100.00	[6]	24.82	43.38	55.82	77.29	94.52
1992	100.00	[6]	27.54	45.88	58.01	78.48	94.94
1993	100.00	[6]	29.01	47.36	59.24	79.27	95.19
1994	100.00	[6]	28.86	47.52	59.45	79.55	95.23
1995	100.00	[6]	30.26	48.91	60.75	80.36	95.39
1996	100.00	[6]	32.31	50.97	62.51	81.32	95.68
1997	100.00	[6]	33.17	51.87	63.20	81.67	95.72
1998	100.00	[6]	34.75	53.84	65.04	82.69	95.79
1999	100.00	[6]	36.18	55.45	66.45	83.54	96.00
2000	100.00	[6]	37.42	56.47	67.33	84.01	96.09
2001	100.00	16.06	33.89	53.25	64.89	82.90	96.03
2002	100.00	15.43	33.71	53.80	65.73	83.90	96.50
2003	100.00	15.68	34.27	54.36	65.84	83.88	96.54
2004	100.00	17.44	36.89	57.13	68.19	84.86	96.70
2005	100.00	19.26	39.38	59.67	70.30	85.99	96.93
2006	100.00	19.56	39.89	60.14	70.79	86.27	97.01
2007	100.00	20.19	40.42	60.63	71.22	86.59	97.11

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

Footnotes

* Revised from previously published value of 1,115.6.

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 5. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2007, there were 5,559 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] For Table 5, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2007 the

[4] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[5] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

[6] Not Calculated.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns [1]:						
1986	102,087,623	51,043,811	76,565,717	91,878,861	96,983,242	101,066,747
1987	106,154,761	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213
1988	108,872,858	54,436,429	81,654,643	97,985,572	103,429,215	107,784,129
1989	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596
1990	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141
1991	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063
1992	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231
1993	113,681,387	56,840,693	85,261,040	102,313,248	107,997,318	112,544,573
1994	114,989,920	57,494,960	86,242,440	103,490,928	109,240,424	113,840,021
1995	117,274,186	58,637,093	87,955,640	105,546,767	111,410,477	116,101,444
1996	119,441,767	59,720,883	89,581,325	107,497,590	113,469,679	118,247,349
1997	121,503,284	60,751,642	91,127,463	109,352,956	115,428,120	120,288,251
1998	123,775,831	61,887,916	92,831,873	111,398,248	117,587,039	122,538,073
1999	126,008,974	63,004,487	94,506,731	113,408,077	119,708,525	124,748,884
2000	128,227,143	64,113,572	96,170,357	115,404,429	121,815,786	126,944,872
2001	128,817,051	64,408,526	96,612,788	115,935,346	122,376,198	127,528,880
2002	128,323,986	64,161,993	96,242,990	115,491,587	121,907,787	127,040,746
2003	128,609,786	64,304,893	96,457,340	115,748,807	122,179,297	127,323,688
2004	130,371,156	65,185,578	97,778,367	117,334,040	123,852,598	129,067,444
2005	132,611,637	66,305,819	99,458,728	119,350,473	125,981,055	131,285,521
2006	135,719,160	67,859,580	101,789,370	122,147,244	128,933,202	134,361,968
2007	[2] 141,070,971	70,535,486	105,803,228	126,963,874	134,017,422	139,660,261
Adjusted gross income (millions of dollars):						
1986	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927
1987	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093
1988	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629
1989	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779
1990	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985
1991	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539
1992	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966
1993	3,775,578	563,279	1,417,625	2,301,115	2,727,326	3,254,992
1994	3,961,146	589,795	1,480,073	2,408,941	2,858,063	3,414,447
1995	4,244,607	617,065	1,554,788	2,540,094	3,021,884	3,624,997
1996	4,590,527	646,144	1,637,891	2,681,378	3,196,723	3,853,983
1997	5,023,457	695,465	1,755,857	2,872,056	3,426,350	4,150,631
1998	5,469,211	747,781	1,879,611	3,075,495	3,672,564	4,458,967
1999	5,909,329	783,164	1,982,021	3,256,494	3,897,565	4,756,509
2000	6,423,977	834,222	2,110,190	3,468,590	4,156,573	5,087,204
2001	6,241,036	861,750	2,170,001	3,550,447	4,244,543	5,146,740
2002	6,113,778	869,750	2,178,274	3,560,303	4,245,991	5,127,997
2003	6,287,586	879,735	2,209,359	3,624,117	4,326,911	5,233,019
2004	6,875,123	922,342	2,328,722	3,825,848	4,575,529	5,568,706
2005	7,507,958	963,135	2,438,504	4,020,948	4,824,024	5,916,248
2006	8,122,040	1,016,441	2,586,209	4,278,895	5,144,325	6,330,153
2007	8,798,500	1,078,287	2,753,146	4,570,661	5,503,958	6,790,241

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(7)	(8)	(9)	(10)	(11)	(12)
Total income tax (millions of dollars) [3]:						
1986	366,979	23,690	88,002	166,276	210,739	272,488
1987	369,046	22,391	85,189	163,816	209,404	277,488
1988	412,761	23,616	91,464	176,350	224,459	298,920
1989	432,838	25,239	98,580	191,380	242,650	323,579
1990	447,061	25,986	102,721	199,547	251,973	334,723
1991	448,349	24,554	101,837	198,067	253,869	337,081
1992	476,163	24,093	102,463	199,950	257,683	345,007
1993	502,720	24,157	104,203	204,912	264,637	356,884
1994	534,754	25,499	109,353	216,852	280,648	380,418
1995	588,331	27,106	115,523	230,929	300,590	410,296
1996	658,124	28,440	122,960	246,720	322,691	445,498
1997	727,303	31,134	133,296	267,664	350,062	486,064
1998	788,452	33,212	136,488	275,615	363,946	514,442
1999	877,292	35,126	144,402	294,290	390,828	559,874
2000	980,521	38,343	156,816	320,371	426,851	613,592
2001	887,882	35,239	151,826	311,719	415,059	586,984
2002	796,862	27,899	128,304	273,050	368,182	528,254
2003	747,932	25,912	120,564	255,486	341,341	491,597
2004	831,890	27,418	125,973	264,617	356,666	524,988
2005	934,703	28,673	130,930	277,618	376,942	566,571
2006	1,023,739	30,561	140,586	298,999	408,058	615,370
2007	[2] 1,115,760	32,261	149,630	321,073	439,212	664,579
Average tax rate (percentage) [4]:						
1986	14.54	5.63	8.51	10.15	11.00	12.17
1987	13.12	5.09	7.71	9.23	10.01	11.25
1988	13.21	5.06	7.80	9.32	10.05	11.28
1989	13.12	5.11	7.92	9.51	10.19	11.43
1990	12.95	5.01	7.86	9.44	10.09	11.28
1991	12.75	4.61	7.59	9.12	9.87	11.04
1992	12.94	4.39	7.42	8.94	9.73	10.93
1993	13.32	4.29	7.35	8.90	9.70	10.96
1994	13.50	4.32	7.39	9.00	9.82	11.14
1995	13.86	4.39	7.43	9.09	9.95	11.32
1996	14.34	4.40	7.51	9.20	10.09	11.56
1997	14.48	4.48	7.59	9.32	10.22	11.71
1998	14.42	4.44	7.26	8.96	9.91	11.54
1999	14.85	4.49	7.29	9.04	10.03	11.77
2000	15.26	4.60	7.43	9.24	10.27	12.06
2001	14.23	4.09	7.00	8.78	9.78	11.41
2002	13.03	3.21	5.89	7.67	8.67	10.30
2003	11.90	2.95	5.46	7.05	7.89	9.39
2004	12.10	2.97	5.41	6.92	7.80	9.43
2005	12.45	2.98	5.37	6.90	7.81	9.58
2006	12.60	3.01	5.44	6.99	7.93	9.72
2007	12.68	2.99	5.43	7.02	7.98	9.79

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(13)	(14)	(15)	(16)	(17)	(18)
Adjusted gross income share (percentage):						
1986	100.00	16.66	40.96	64.88	75.89	88.70
1987	100.00	15.63	39.25	63.10	74.33	87.68
1988	100.00	14.93	37.56	60.55	71.49	84.84
1989	100.00	14.96	37.72	61.00	72.16	85.81
1990	100.00	15.03	37.87	61.23	72.38	86.00
1991	100.00	15.13	38.15	61.80	73.17	87.01
1992	100.00	14.92	37.53	60.77	71.99	85.77
1993	100.00	14.92	37.55	60.95	72.24	86.21
1994	100.00	14.89	37.36	60.81	72.15	86.20
1995	100.00	14.54	36.63	59.84	71.19	85.40
1996	100.00	14.08	35.68	58.41	69.64	83.96
1997	100.00	13.84	34.95	57.17	68.21	82.63
1998	100.00	13.67	34.37	56.23	67.15	81.53
1999	100.00	13.25	33.54	55.11	65.96	80.49
2000	100.00	12.99	32.85	53.99	64.70	79.19
2001	100.00	13.81	34.77	56.89	68.01	82.47
2002	100.00	14.23	35.63	58.23	69.45	83.88
2003	100.00	13.99	35.14	57.64	68.82	83.23
2004	100.00	13.42	33.87	55.65	66.55	81.00
2005	100.00	12.83	32.48	53.56	64.25	78.80
2006	100.00	12.51	31.84	52.68	63.34	77.94
2007	100.00	12.26	31.29	51.95	62.56	77.18
Total income tax share (percentage):						
1986	100.00	6.46	23.98	45.31	57.43	74.25
1987	100.00	6.07	23.08	44.39	56.74	75.19
1988	100.00	5.72	22.16	42.72	54.38	72.42
1989	100.00	5.83	22.78	44.22	56.06	74.76
1990	100.00	5.81	22.98	44.64	56.36	74.87
1991	100.00	5.48	22.71	44.18	56.62	75.18
1992	100.00	5.06	21.52	41.99	54.12	72.46
1993	100.00	4.81	20.73	40.76	52.64	70.99
1994	100.00	4.77	20.45	40.55	52.48	71.14
1995	100.00	4.61	19.64	39.25	51.09	69.74
1996	100.00	4.32	18.68	37.49	49.03	67.69
1997	100.00	4.28	18.33	36.80	48.13	66.83
1998	100.00	4.21	17.31	34.96	46.16	65.25
1999	100.00	4.00	16.46	33.55	44.55	63.82
2000	100.00	3.91	15.99	32.67	43.53	62.58
2001	100.00	3.97	17.10	35.11	46.75	66.11
2002	100.00	3.50	16.10	34.27	46.20	66.29
2003	100.00	3.46	16.12	34.16	45.64	65.73
2004	100.00	3.30	15.14	31.81	42.87	63.11
2005	100.00	3.07	14.01	29.70	40.33	60.62
2006	100.00	2.99	13.73	29.21	39.86	60.11
2007	100.00	2.89	13.41	28.78	39.37	59.58

* Revised from previously published value of 1,115.6.

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 6. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2007, there were 5,559 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns [1]:						
1986	101,988,805	1,019,888	5,099,440	10,198,881	25,497,201	50,994,402
1987	106,191,624	1,061,916	5,309,581	10,619,162	26,547,906	53,095,812
1988	108,879,154	1,088,792	5,443,958	10,887,915	27,219,788	54,439,577
1989	111,328,835	1,113,288	5,566,442	11,132,884	27,832,209	55,664,418
1990	112,717,959	1,127,180	5,635,898	11,271,796	28,179,490	56,358,980
1991	113,823,123	1,138,231	5,691,156	11,382,312	28,455,781	56,911,562
1992	112,687,747	1,126,877	5,634,387	11,268,775	28,171,937	56,343,874
1993	113,721,706	1,137,217	5,686,085	11,372,171	28,430,426	56,860,853
1994	115,061,112	1,150,611	5,753,056	11,506,111	28,765,278	57,530,556
1995	117,333,779	1,173,338	5,866,689	11,733,378	29,333,445	58,666,889
1996	119,487,813	1,194,878	5,974,391	11,948,781	29,871,953	59,743,906
1997	121,555,156	1,215,552	6,077,758	12,155,516	30,388,789	60,777,578
1998	123,852,016	1,238,520	6,192,601	12,385,202	30,963,004	61,926,008
1999	126,107,596	1,261,076	6,305,380	12,610,760	31,526,899	63,053,798
2000	128,340,271	1,283,403	6,417,014	12,834,027	32,085,068	64,170,135
2001	128,863,007	1,288,630	6,443,150	12,886,301	32,215,752	64,431,504
2002	128,415,184	1,284,152	6,420,759	12,841,518	32,103,796	64,207,592
2003	128,757,145	1,287,571	6,437,857	12,875,715	32,189,286	64,378,573
2004	130,508,966	1,305,090	6,525,448	13,050,897	32,627,242	65,254,483
2005	132,730,734	1,327,307	6,636,537	13,273,073	33,182,684	66,365,367
2006	135,854,749	1,358,547	6,792,737	13,585,475	33,963,687	67,927,375
2007	[2] 141,252,080	1,412,521	7,062,604	14,125,208	35,313,020	70,626,040
Income floor on percentiles (current dollars):						
1986	N/A	147,863	68,362	52,035	33,623	17,909
1987	N/A	145,624	69,222	53,094	34,165	17,959
1988	N/A	161,774	73,451	55,532	35,432	18,534
1989	N/A	169,603	77,542	58,429	36,783	19,152
1990	N/A	174,813	80,400	60,623	38,026	19,947
1991	N/A	180,268	83,300	62,413	38,913	20,302
1992	N/A	197,031	87,370	65,283	40,423	21,041
1993	N/A	199,698	88,992	66,685	41,013	21,390
1994	N/A	210,742	93,186	69,118	42,480	22,000
1995	N/A	224,523	98,420	72,210	43,860	22,575
1996	N/A	246,268	103,489	75,574	45,508	23,378
1997	N/A	268,889	110,949	79,598	47,738	24,551
1998	N/A	301,513	120,262	84,904	50,232	25,612
1999	N/A	332,253	126,643	89,172	52,399	26,487
2000	N/A	353,945	134,128	93,715	54,592	27,647
2001	N/A	323,861	131,728	93,633	55,203	28,404
2002	N/A	315,937	132,253	93,833	55,695	28,541
2003	N/A	327,160	134,818	96,021	56,573	28,896
2004	N/A	363,905	142,975	100,957	59,112	29,899
2005	N/A	402,354	152,048	105,958	61,055	30,588
2006	N/A	437,036	162,043	111,560	63,694	31,693
2007	N/A	458,846	168,478	115,564	65,340	32,400

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(7)	(8)	(9)	(10)	(11)	(12)
Income floor on percentiles (constant dollars) [3]:						
1986	N/A	134,912	62,374	47,477	30,678	16,340
1987	N/A	128,190	60,935	46,738	30,075	15,809
1988	N/A	136,749	62,089	46,942	29,951	15,667
1989	N/A	136,777	62,534	47,120	29,664	15,445
1990	N/A	133,751	61,515	46,383	29,094	15,262
1991	N/A	132,355	61,160	45,825	28,571	14,906
1992	N/A	140,436	62,274	46,531	28,812	14,997
1993	N/A	138,199	61,586	46,149	28,383	14,803
1994	N/A	142,201	62,879	46,638	28,664	14,845
1995	N/A	147,325	64,580	47,382	28,780	14,813
1996	N/A	156,959	65,959	48,167	29,004	14,900
1997	N/A	167,532	69,127	49,594	29,743	15,297
1998	N/A	183,962	73,375	51,802	30,648	15,627
1999	N/A	199,432	76,016	53,525	31,452	15,899
2000	N/A	205,543	77,891	54,422	31,703	16,055
2001	N/A	182,869	74,381	52,870	31,171	16,038
2002	N/A	175,618	73,515	52,158	30,959	15,865
2003	N/A	177,804	73,271	52,185	30,746	15,704
2004	N/A	192,644	75,688	53,445	31,293	15,828
2005	N/A	206,018	77,854	54,254	31,262	15,662
2006	N/A	216,784	80,378	55,337	31,594	15,721
2007	N/A	221,344	81,273	55,747	31,520	15,630
Income (millions of current dollars):						
1986	2,804,691	427,513	796,935	1,097,550	1,732,231	2,368,620
1987	2,856,118	363,880	749,240	1,067,438	1,741,747	2,411,715
1988	3,153,639	484,675	911,170	1,255,108	1,973,061	2,683,524
1989	3,336,571	486,976	947,363	1,317,619	2,085,003	2,838,481
1990	3,497,118	504,687	987,582	1,376,162	2,182,091	2,973,847
1991	3,577,337	478,756	985,590	1,390,924	2,224,979	3,038,428
1992	3,763,002	556,421	1,090,019	1,509,728	2,369,701	3,206,490
1993	3,849,532	554,075	1,105,014	1,537,285	2,422,475	3,278,866
1994	4,033,642	579,564	1,161,972	1,617,250	2,544,400	3,436,167
1995	4,317,506	653,717	1,284,726	1,772,890	2,754,988	3,692,267
1996	4,670,644	772,868	1,462,979	1,984,931	3,025,107	4,015,461
1997	5,112,706	918,007	1,679,877	2,242,353	3,353,245	4,409,075
1998	5,626,390	1,072,779	1,925,214	2,542,399	3,742,006	4,869,467
1999	6,082,931	1,236,081	2,166,370	2,825,789	4,099,929	5,290,805
2000	6,601,494	1,424,436	2,430,957	3,138,299	4,495,910	5,758,808
2001	6,361,523	1,159,037	2,121,055	2,828,677	4,202,776	5,491,703
2002	6,262,714	1,057,775	2,005,658	2,712,226	4,092,069	5,383,263
2003	6,429,711	1,122,582	2,091,401	2,813,645	4,226,517	5,539,087
2004	7,044,141	1,383,978	2,453,830	3,228,229	4,726,625	6,111,786
2005	7,701,103	1,678,406	2,863,229	3,694,152	5,278,659	6,729,456
2006	8,365,645	1,900,311	3,202,445	4,101,178	5,798,340	7,340,135
2007	9,048,579	2,121,037	3,533,346	4,502,869	6,324,119	7,963,204

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(13)	(14)	(15)	(16)	(17)	(18)
Total income tax (millions of current dollars) [4]:						
1986	366,763	93,128	155,553	198,862	277,578	342,296
1987	368,924	89,908	158,485	204,050	282,970	346,228
1988	412,549	112,208	186,793	235,121	320,152	388,631
1989	432,643	107,508	188,588	240,229	333,285	407,106
1990	446,906	110,530	192,991	245,856	342,926	420,345
1991	448,177	107,926	192,548	246,745	345,168	423,180
1992	476,067	127,361	216,303	272,361	372,352	451,494
1993	502,638	142,329	235,908	294,238	397,261	477,997
1994	534,693	150,133	250,770	314,909	423,743	508,540
1995	588,292	173,877	284,036	354,427	471,035	560,748
1996	658,059	208,071	331,404	407,726	532,750	628,918
1997	731,123	238,978	376,046	459,674	595,060	699,131
1998	783,437	262,464	413,303	503,577	644,182	749,547
1999	877,199	307,382	479,531	577,903	729,679	841,172
2000	980,459	355,911	546,102	654,155	819,937	941,304
2001	887,770	291,907	466,057	570,430	732,094	851,539
2002	796,763	259,192	420,834	517,937	664,670	767,890
2003	747,800	248,107	400,202	487,657	624,070	720,861
2004	831,815	297,199	467,728	562,092	702,203	803,521
2005	934,524	359,060	549,667	651,220	800,022	904,857
2006	1,023,556	396,274	605,877	717,713	878,565	991,763
2007	1,115,338	437,537	665,659	786,765	961,228	1,081,951
Average tax rate (percentage) [5]:						
1986	13.08	21.78	19.52	18.12	16.02	14.45
1987	12.92	24.71	21.15	19.12	16.25	14.36
1988	13.08	23.15	20.50	18.73	16.23	14.48
1989	12.97	22.08	19.91	18.23	15.98	14.34
1990	12.78	21.90	19.54	17.87	15.72	14.13
1991	12.53	22.54	19.54	17.74	15.51	13.93
1992	12.65	22.89	19.84	18.04	15.71	14.08
1993	13.06	25.69	21.35	19.14	16.40	14.58
1994	13.26	25.90	21.58	19.47	16.65	14.80
1995	13.63	26.60	22.11	19.99	17.10	15.19
1996	14.09	26.92	22.65	20.54	17.61	15.66
1997	14.30	26.03	22.39	20.50	17.75	15.86
1998	13.92	24.47	21.47	19.81	17.21	15.39
1999	14.42	24.87	22.14	20.45	17.80	15.90
2000	14.85	24.99	22.46	20.84	18.24	16.35
2001	13.96	25.19	21.97	20.17	17.42	15.51
2002	12.72	24.50	20.98	19.10	16.24	14.26
2003	11.63	22.10	19.14	17.33	14.77	13.01
2004	11.81	21.47	19.06	17.41	14.86	13.15
2005	12.13	21.39	19.20	17.63	15.16	13.45
2006	12.24	20.85	18.92	17.50	15.15	13.51
2007	12.33	20.63	18.84	17.47	15.20	13.59

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(19)	(20)	(21)	(22)	(23)	(24)
Income share (percentage):						
1986	100.00	15.24	28.41	39.13	61.76	84.45
1987	100.00	12.74	26.23	37.37	60.98	84.44
1988	100.00	15.37	28.89	39.80	62.56	85.09
1989	100.00	14.60	28.39	39.49	62.49	85.07
1990	100.00	14.43	28.24	39.35	62.40	85.04
1991	100.00	13.38	27.55	38.88	62.20	84.94
1992	100.00	14.79	28.97	40.12	62.97	85.21
1993	100.00	14.39	28.71	39.93	62.93	85.18
1994	100.00	14.37	28.81	40.09	63.08	85.19
1995	100.00	15.14	29.76	41.06	63.81	85.52
1996	100.00	16.55	31.32	42.50	64.77	85.97
1997	100.00	17.96	32.86	43.86	65.59	86.24
1998	100.00	19.07	34.22	45.19	66.51	86.55
1999	100.00	20.32	35.61	46.45	67.40	86.98
2000	100.00	21.58	36.82	47.54	68.10	87.23
2001	100.00	18.22	33.34	44.47	66.07	86.33
2002	100.00	16.89	32.03	43.31	65.34	85.96
2003	100.00	17.46	32.53	43.76	65.73	86.15
2004	100.00	19.65	34.84	45.83	67.10	86.76
2005	100.00	21.79	37.18	47.97	68.54	87.38
2006	100.00	22.72	38.28	49.02	69.31	87.74
2007	100.00	23.44	39.05	49.76	69.89	88.01
Total income tax share (percentage):						
1986	100.00	25.39	42.41	54.22	75.68	93.33
1987	100.00	24.37	42.96	55.31	76.70	93.85
1988	100.00	27.20	45.28	56.99	77.60	94.20
1989	100.00	24.85	43.59	55.53	77.03	94.10
1990	100.00	24.73	43.18	55.01	76.73	94.06
1991	100.00	24.08	42.96	55.06	77.02	94.42
1992	100.00	26.75	45.44	57.21	78.21	94.84
1993	100.00	28.32	46.93	58.54	79.04	95.10
1994	100.00	28.08	46.90	58.90	79.25	95.11
1995	100.00	29.56	48.28	60.25	80.07	95.32
1996	100.00	31.62	50.36	61.96	80.96	95.57
1997	100.00	32.69	51.43	62.87	81.39	95.62
1998	100.00	33.50	52.76	64.28	82.23	95.67
1999	100.00	35.04	54.67	65.88	83.18	95.89
2000	100.00	36.30	55.70	66.72	83.63	96.01
2001	100.00	32.88	52.50	64.25	82.46	95.92
2002	100.00	32.53	52.82	65.01	83.42	96.38
2003	100.00	33.18	53.52	65.21	83.45	96.40
2004	100.00	35.73	56.23	67.57	84.42	96.60
2005	100.00	38.42	58.82	69.68	85.61	96.83
2006	100.00	38.72	59.19	70.12	85.83	96.89
2007	100.00	39.23	59.68	70.54	86.18	97.01

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 7. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2007, there were 5,559 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] For Table 7, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982=84=100). For 2007 the CPI-U=207.3.

[4] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[5] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns [1]:						
1986	101,988,805	50,994,402	76,491,604	91,789,924	96,889,365	100,968,917
1987	106,191,624	53,095,812	79,643,718	95,572,462	100,882,043	105,129,708
1988	108,879,154	54,439,577	81,659,366	97,991,239	103,435,196	107,790,362
1989	111,328,835	55,664,417	83,496,626	100,195,951	105,762,393	110,215,547
1990	112,717,959	56,358,980	84,538,469	101,446,163	107,082,061	111,590,779
1991	113,823,123	56,911,562	85,367,342	102,440,811	108,131,967	112,684,892
1992	112,687,747	56,343,874	84,515,810	101,418,972	107,053,360	111,560,870
1993	113,721,706	56,860,853	85,291,280	102,349,535	108,035,621	112,584,489
1994	115,061,112	57,530,556	86,295,834	103,555,001	109,308,056	113,910,501
1995	117,333,779	58,666,890	88,000,334	105,600,401	111,467,090	116,160,441
1996	119,487,813	59,743,907	89,615,860	107,539,032	113,513,422	118,292,935
1997	121,555,156	60,777,578	91,166,367	109,399,640	115,477,398	120,339,604
1998	123,852,016	61,926,008	92,889,012	111,466,814	117,659,415	122,613,496
1999	126,107,596	63,053,798	94,580,697	113,496,836	119,802,216	124,846,520
2000	128,340,271	64,170,135	96,255,203	115,506,243	121,923,257	127,056,868
2001	128,863,007	64,431,504	96,647,255	115,976,706	122,419,857	127,574,377
2002	128,415,184	64,207,592	96,311,388	115,573,666	121,994,425	127,131,032
2003	128,757,145	64,378,573	96,567,859	115,881,431	122,319,288	127,469,574
2004	130,508,966	65,254,483	97,881,725	117,458,069	123,983,518	129,203,876
2005	132,730,734	66,365,367	99,548,051	119,457,661	126,094,197	131,403,427
2006	135,854,749	67,927,375	101,891,062	122,269,274	129,062,012	134,496,202
2007	[2] 141,252,080	70,626,040	105,939,060	127,126,872	134,189,476	139,839,559
Income (millions of current dollars):						
1986	2,804,691	436,071	1,072,460	1,707,142	2,007,756	2,377,178
1987	2,856,118	444,403	1,114,372	1,788,680	2,106,878	2,492,238
1988	3,153,639	470,115	1,180,578	1,898,531	2,242,469	2,668,964
1989	3,336,571	498,089	1,251,567	2,018,952	2,389,207	2,849,595
1990	3,497,118	523,271	1,315,027	2,120,956	2,509,535	2,992,431
1991	3,577,337	538,910	1,352,358	2,186,413	2,591,748	3,098,582
1992	3,763,002	556,512	1,393,300	2,253,273	2,672,983	3,206,581
1993	3,849,532	570,666	1,427,057	2,312,247	2,744,518	3,295,456
1994	4,033,642	597,475	1,489,242	2,416,392	2,871,670	3,454,078
1995	4,317,506	625,239	1,562,518	2,544,615	3,032,780	3,663,789
1996	4,670,644	655,183	1,645,537	2,685,713	3,207,665	3,897,777
1997	5,112,706	703,631	1,759,461	2,870,353	3,432,828	4,194,699
1998	5,626,390	756,923	1,884,384	3,083,991	3,701,176	4,553,611
1999	6,082,931	792,125	1,983,002	3,257,142	3,916,561	4,846,850
2000	6,601,494	842,686	2,105,584	3,463,195	4,170,537	5,177,058
2001	6,361,523	869,820	2,158,748	3,532,846	4,240,468	5,202,486
2002	6,262,714	879,451	2,170,646	3,550,488	4,257,056	5,204,939
2003	6,429,711	890,624	2,203,193	3,616,066	4,338,310	5,307,129
2004	7,044,141	932,354	2,317,516	3,815,911	4,590,311	5,660,163
2005	7,701,103	971,647	2,422,444	4,006,951	4,837,875	6,022,698
2006	8,365,645	1,025,509	2,567,304	4,264,467	5,163,200	6,465,334
2007	9,048,579	1,085,375	2,724,460	4,545,709	5,515,232	6,927,542

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(7)	(8)	(9)	(10)	(11)	(12)
Total income tax (millions of current dollars) [3]:						
1986	366,763	24,467	89,186	167,901	211,210	273,635
1987	368,924	22,696	85,954	164,874	210,439	279,016
1988	412,549	23,918	92,397	177,429	225,756	300,341
1989	432,643	25,537	99,358	192,414	244,055	325,135
1990	446,906	26,562	103,980	201,050	253,915	336,376
1991	448,177	24,997	103,009	201,432	255,629	340,251
1992	476,067	24,573	103,715	203,706	259,764	348,706
1993	502,638	24,641	105,377	208,400	266,730	360,309
1994	534,693	26,153	110,950	219,783	283,923	384,560
1995	588,292	27,544	117,257	233,864	304,256	414,415
1996	658,059	29,142	125,310	250,333	326,655	449,988
1997	731,123	31,992	136,063	271,450	355,078	492,146
1998	783,437	33,889	139,249	279,860	370,134	520,973
1999	877,199	36,027	147,520	299,294	397,669	569,817
2000	980,459	39,155	160,521	326,304	434,357	624,548
2001	887,770	36,230	155,676	317,341	421,713	595,863
2002	796,763	28,872	132,093	278,827	375,930	537,571
2003	747,800	26,939	123,731	260,143	347,598	499,694
2004	831,815	28,294	129,610	269,723	364,087	534,616
2005	934,524	29,668	134,499	283,305	384,857	575,464
2006	1,023,556	31,796	144,991	305,843	417,680	627,282
2007	1,115,338	33,387	154,109	328,573	449,679	677,801
Average tax rate (percentage) [4]:						
1986	13.08	5.61	8.32	9.84	10.52	11.51
1987	12.92	5.11	7.71	9.22	9.99	11.20
1988	13.08	5.09	7.83	9.35	10.07	11.25
1989	12.97	5.13	7.94	9.53	10.21	11.41
1990	12.78	5.08	7.91	9.48	10.12	11.24
1991	12.53	4.64	7.62	9.21	9.86	10.98
1992	12.65	4.42	7.44	9.04	9.72	10.87
1993	13.06	4.32	7.38	9.01	9.72	10.93
1994	13.26	4.38	7.45	9.10	9.89	11.13
1995	13.63	4.41	7.50	9.19	10.03	11.31
1996	14.09	4.45	7.62	9.32	10.18	11.54
1997	14.30	4.55	7.73	9.46	10.34	11.73
1998	13.92	4.48	7.39	9.07	10.00	11.44
1999	14.42	4.55	7.44	9.19	10.15	11.76
2000	14.85	4.65	7.62	9.42	10.41	12.06
2001	13.96	4.17	7.21	8.98	9.95	11.45
2002	12.72	3.28	6.09	7.85	8.83	10.33
2003	11.63	3.02	5.62	7.19	8.01	9.42
2004	11.81	3.03	5.59	7.07	7.93	9.45
2005	12.13	3.05	5.55	7.07	7.96	9.55
2006	12.24	3.10	5.65	7.17	8.09	9.70
2007	12.33	3.08	5.66	7.23	8.15	9.78

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2007

Statistics of Income Bulletin | Winter 2010

Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2007—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(13)	(14)	(15)	(16)	(17)	(18)
Income share (percentage):						
1986	100.00	15.55	38.24	60.87	71.59	84.76
1987	100.00	15.56	39.02	62.63	73.77	87.26
1988	100.00	14.91	37.44	60.20	71.11	84.63
1989	100.00	14.93	37.51	60.51	71.61	85.40
1990	100.00	14.96	37.60	60.65	71.76	85.57
1991	100.00	15.06	37.80	61.12	72.45	86.62
1992	100.00	14.79	37.03	59.88	71.03	85.21
1993	100.00	14.82	37.07	60.07	71.29	85.61
1994	100.00	14.81	36.92	59.91	71.19	85.63
1995	100.00	14.48	36.19	58.94	70.24	84.86
1996	100.00	14.03	35.23	57.50	68.68	83.45
1997	100.00	13.76	34.41	56.14	67.14	82.04
1998	100.00	13.45	33.49	54.81	65.78	80.93
1999	100.00	13.02	32.60	53.55	64.39	79.68
2000	100.00	12.77	31.90	52.46	63.18	78.42
2001	100.00	13.67	33.93	55.53	66.66	81.78
2002	100.00	14.04	34.66	56.69	67.97	83.11
2003	100.00	13.85	34.27	56.24	67.47	82.54
2004	100.00	13.24	32.90	54.17	65.16	80.35
2005	100.00	12.62	31.46	52.03	62.82	78.21
2006	100.00	12.26	30.69	50.98	61.72	77.28
2007	100.00	12.00	30.11	50.24	60.95	76.56
Total income tax share (percentage):						
1986	100.00	6.67	24.32	45.78	57.59	74.61
1987	100.00	6.15	23.30	44.69	57.04	75.63
1988	100.00	5.80	22.40	43.01	54.72	72.80
1989	100.00	5.90	22.97	44.47	56.41	75.15
1990	100.00	5.94	23.27	44.99	56.82	75.27
1991	100.00	5.58	22.98	44.94	57.04	75.92
1992	100.00	5.16	21.79	42.79	54.56	73.25
1993	100.00	4.90	20.96	41.46	53.07	71.68
1994	100.00	4.89	20.75	41.10	53.10	71.92
1995	100.00	4.68	19.93	39.75	51.72	70.44
1996	100.00	4.43	19.04	38.04	49.64	68.38
1997	100.00	4.38	18.61	37.13	48.57	67.31
1998	100.00	4.33	17.77	35.72	47.24	66.50
1999	100.00	4.11	16.82	34.12	45.33	64.96
2000	100.00	3.99	16.37	33.28	44.30	63.70
2001	100.00	4.08	17.54	35.75	47.50	67.12
2002	100.00	3.62	16.58	34.99	47.18	67.47
2003	100.00	3.60	16.55	34.79	46.48	66.82
2004	100.00	3.40	15.58	32.43	43.77	64.27
2005	100.00	3.17	14.39	30.32	41.18	61.58
2006	100.00	3.11	14.17	29.88	40.81	61.28
2007	100.00	2.99	13.82	29.46	40.32	60.77

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 8. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2007, there were 5,559 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.