

Individual Income Tax Rates and Shares, 2008

by Kyle Mudry

Taxpayers filed 142.5 million returns for Tax Year 2008. Of those, 90.7 million (or 63.6 percent) were classified as taxable returns. This represents the lowest percentage in more than 23 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns for 2008 was 5.8 percent lower than for 2007. Adjusted gross income (AGI) on these taxable returns decreased 6.1 percent to \$7,583 billion for 2008, while total income tax decreased 7.5 percent to \$1,032 billion. The average tax rate for taxable returns decreased 0.2 percentage points to 13.6 percent.

The top 1 percent of taxpayers, those with AGI of at least \$380,354, accounted for 20.0 percent of AGI for 2008. This represents a decrease in income share of 2.8 percentage points from the previous year, when the cutoff for this group was \$410,096. These taxpayers accounted for 38.0 percent of the total income tax reported, a decrease from 40.4 percent in 2007. The top 5 percent of taxpayers accounted for 34.7 percent of AGI and 58.7 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported AGI of at least \$159,619, whereas, in 2007, the cutoff for this group was \$160,041.

This article discusses the individual income tax rates and tax shares and the computation of “total income tax” for 2008. 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 the *Explanation of Selected Terms* section of this article) divided by AGI reported on returns showing some income tax liability.

Measures of marginal tax rates 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 the *Income and Tax Concepts* section of this article 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 2008.

Average Tax Rates

Figure A presents statistics for 1986 through 2008 on income (based on each year’s definition of AGI and on the common 1979 Income Concept) and taxes reported. (See the *Income and Tax Concepts* section of this article 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.

Kyle Mudry is an economist 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.

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Figure A

Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1986–2008

[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	96,272,958	67.3	8,072	1,116	13.8	83,851	11,588	40,449	5,590
2008	142,450,569	90,660,104	63.6	7,583	1,032	13.6	83,647	11,379	38,851	5,285
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
2008	142,450,569	90,660,104	63.6	7,760	1,032	13.3	85,592	11,379	39,754	5,285

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

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

[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 2008, the CPI-U = 215.303.

[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 1986-2008. See Figure G for components of the 1979 Income Concept.

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- (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 the *Income and Tax Concepts* section of this article for a more detailed description of the capital gain rates.
- (7) Tax Years 2001 through 2008 were affected mainly 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 (accelerations of EGTRRA's phased-in 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 Appendix C of the previously published article, "*Individual Income Tax Rates and*

Shares, 2003" (under *Tax Rate Reduction*). Under EGTRRA, beginning in 2006, the complete phase-out of personal exemptions and the limitation on some itemized deductions for upper-income taxpayers were modified to limit the maximum phaseout of two-thirds of both the exemption amount and the itemized deduction limitation amount. For 2008, the limit was changed to one-third. Beginning in 2004, the Working Families Tax Relief Act increased the additional child tax credit refundability rate from 10 percent to 15 percent.

About 90.7 million, or 63.6 percent, of the 142.5 million individual returns filed for 2008 were classified as taxable returns. This was a 5.8-percent decrease in the number of taxable returns from 2007. This also represents the lowest percentage of individual returns that were taxable in more than 23 years. Total AGI reported on taxable returns decreased 6.1 percent to \$7,583 billion. Using the 1979 Income Concept, total AGI on taxable returns decreased 6.3 percent to \$7,760 billion for 2008. Total income tax decreased by more than \$84 billion (7.5 percent) to \$1,032 billion for 2008. Average AGI for taxable returns decreased to \$83,647 for 2008, (a small decrease from 2007). Average income tax also decreased for 2008 by 1.8 percent to \$11,379.

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 have 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 2008 decreased to 13.3 percent from 13.5 percent for the previous year.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 13.6 percent for 2008. The average tax rate for the AGI-size classes ranged from 2.8 percent for the "\$1 under \$10,000" AGI-size class to 24.1 percent for the "\$500,000 under \$1,000,000" AGI-size class.

The average tax rate of 13.6 percent for 2008 for all income classes combined was 0.2 percentage points lower than in 2007. The average tax rate

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Figure B

Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2007 and 2008

[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	\$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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Tax Year 2008:											
Number of taxable returns	90,660	3	3,114	9,530	10,757	20,064	29,097	13,741	3,460	574	319
Adjusted gross income (less deficit)	7,583,462	-3,102	21,345	146,249	268,626	793,657	2,078,215	1,831,327	988,579	390,236	1,068,330
Total income tax	1,031,581	69	598	5,078	15,440	56,953	184,554	232,270	193,699	93,899	249,020
Average tax rate (percent) [2]	13.6	[3]	2.8	3.5	5.7	7.2	8.9	12.7	19.6	24.1	23.3
Tax Year 2007:											
Number of taxable returns	96,273	6	4,209	11,464	11,593	21,213	29,877	13,386	3,484	649	391
Adjusted gross income (less deficit)	8,072,294	-5,805	27,596	172,061	289,357	837,794	2,128,157	1,783,982	1,002,131	440,314	1,396,706
Total income tax	*1,115,760	99	733	6,825	17,599	61,368	190,716	228,755	196,469	103,163	310,033
Average tax rate (percent) [2]	13.8	[3]	2.7	4.0	6.1	7.3	9.0	12.8	19.6	23.4	22.2
Change in:											
Number of taxable returns	-5,613	-2	-1,095	-1,935	-836	-1,149	-780	355	-24	-75	-72
Percent	-5.8	-37.4	-26.0	-16.9	-7.2	-5.4	-2.6	2.7	-0.7	-11.6	-18.4
Adjusted gross income (less deficit)	-488,832	2,703	-6,251	-25,812	-20,731	-44,137	-49,943	47,345	-13,552	-50,079	-328,375
Percent	-6.1	-46.6	-22.7	-15.0	-7.2	-5.3	-2.3	2.7	-1.4	-11.4	-23.5
Total income tax	-84,180	-30	-135	-1,747	-2,160	-4,414	-6,162	3,516	-2,770	-9,264	-61,014
Percent	-7.5	-30.1	-18.5	-25.6	-12.3	-7.2	-3.2	1.5	-1.4	-9.0	-19.7
Average tax rate:											
Percentage point change	-0.2	[4]	0.1	-0.5	-0.3	-0.1	-0.1	-0.1	[5]	0.6	1.1

* 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.

for taxable returns in AGI classes under \$200,000 fell for 2008, remained the same in the \$200,000 to under \$500,000 class, and increased in AGI classes \$500,000 and higher.

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 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 2008, the number of individual returns with modified taxable income decreased 2.3 percent to 108.0 million.³ The amount of modified taxable income reported on these returns decreased 6.8 percent to \$5,652.3 billion. The tax generated on these returns decreased by 6.4 percent to \$1,081.3

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 2007 data are from Dungan, Adrian and Kyle Mudry, *Individual Income Tax Rates and Shares, 2007, Statistics of Income Bulletin*, Winter 2010, Volume 29, Number 3, p. 18-75.

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Figure C

Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate, Tax Year 2008

[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	107,978,328	100.0	5,652,315,095	100.0	1,081,295,469	100.0
*0 percent	828,798	0.8	5,641,894	0.1	0	0
5 percent (prior year rate)	36,171	[1]	401,369	[1]	20,069	0.0
10 percent	26,189,462	24.3	144,416,442	2.6	13,653,580	1.3
10 percent (Form 8814) [2]	19,088	[1]	24,916	[1]	2,492	0.0
15 percent	42,389,614	39.3	1,163,636,276	20.6	149,790,612	13.9
15 percent (capital gains) [3]	7,742,786	7.2	453,870,406	8.0	57,572,176	5.3
25 percent	23,286,637	21.6	1,644,133,455	29.1	278,040,704	25.7
25 percent (capital gains)	184,687	0.2	31,530,529	0.6	5,349,787	0.5
28 percent	4,257,855	3.9	610,072,127	10.8	127,944,621	11.8
28 percent (capital gains)	18,108	[1]	3,766,145	0.1	794,906	0.1
33 percent	1,669,518	1.5	451,864,124	8.0	109,741,449	10.1
35 percent	971,510	0.9	1,138,591,766	20.1	337,546,859	31.2
Form 8615 [4]	384,095	0.4	4,365,648	0.1	838,213	0.1

* For tax year 2008, the 5 percent tax rate on qualified dividends and net capital gain was reduced to zero.

[1] Less than 0.05 percent.

[2] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' 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 meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

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

billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated (before alternative minimum tax and reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in the *Income and Tax Concepts* section of this article).

Returns with modified taxable income in the "15-percent" (ordinary income) marginal tax rate bracket contained the largest share of returns for 2008, at 39.3 percent. These returns reported 20.6 percent of modified taxable income for 2008 and generated 13.9 percent of income tax. Conversely, taxpayers in the "35-percent" (ordinary income) marginal rate, the least represented (ordinary income) bracket, accounted for only 0.9 percent of returns, but reported 20.1 percent of the modified taxable income and 31.2 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 24.3 percent. However, such returns accounted for only 2.6 percent of modified income and 1.3 percent of income tax generated. With a 21.6-percent share

of returns, making it the third largest bracket, the "25-percent" (ordinary income) marginal rate bracket reported 29.1 percent of the modified taxable income and 25.7 percent of income tax generated. Returns in the "28-percent" (ordinary income) marginal rate bracket represented 3.9 percent of the total share of returns and accounted for 10.8 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 returns, at 1.5 percent, and accounted for 8.0 percent of the modified taxable income and 10.1 percent of the tax generated. Returns in the capital gain and dividends 0-percent, 15-percent, 25-percent, and 28-percent tax brackets represented 8.2 percent of returns and reported a total of 8.8 percent of modified taxable income and 5.9 percent of the tax.

As shown in Table 2, the total tax generated for 2008 at the 15-percent rate was more than any other rate. The 34.9 percent of income taxed at this rate was reported by 74.3 percent of returns with modified taxable income, producing 27.4 percent

of tax generated. The 35-percent rate generated the next largest amount of income tax. Tax in that bracket was reported on only 0.9 percent of returns. However, 11.0 percent of all modified taxable income was taxed at this rate, generating 20.2 percent of tax generated. The 25-percent (ordinary income) rate had the third largest amount of tax generated. Tax in that bracket was reported on 28.1 percent of returns, with 15.4 percent of all modified taxable income taxed at this rate, generating 20.1 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 2007 and 2008 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 and capital gain tax rates to modified taxable income was \$1,081.3 billion, a 6.4-percent decrease from 2007.⁴ 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 6.4 percent to \$25.6 billion for 2008. Income tax before credits

was \$1,106.9 billion for 2008, down from \$1,179.5 billion, representing a 6.2-percent decrease from 2007. Taxpayers used \$75.4 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 \$1,031.6 billion. These taxes both represented a 7.5-percent decrease from 2007.

For returns with modified taxable income, Table 4a shows estimates of income tax before credits by the type of tax computation. It shows 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 parent or guardian.⁷ The capital gains computations generally reduce taxes; the special provision for certain dependent filers can only increase taxes.

For 2008, 85.4 million returns had their tax before credits computed using only regular income tax rates, compared with 85.3 million for 2007 that used only regular tax computations, an increase of 0.2 percent. The top portion of Table 4a shows the data for these returns. Since these returns did not

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: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, 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 2008, the total earned income credit was \$50.7 billion. This amount includes the amount used to reduce the income tax (\$1.0 billion), the amount used to reduce other taxes reported on individual income tax returns (\$5.4 billion), and the amount refunded to taxpayers (\$44.3 billion). Table 4 in Bryan, Justin, "Individual Income Tax Returns: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2, shows these amounts.

⁷ Dependents with income of more than \$1,800 other than earned income could file their own returns but were suggested to calculate their tax on other than earned income in excess of \$1,800 as if it were their parent's or guardian's marginal income. Form 8814 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.

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Figure D

Derivation of Tax Years 2007 and 2008 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Item	2007	2008	Percentage change (2007-2008)
	(1)	(2)	(3)
Tax generated from tax rate schedules or tax table	1,155.4	1,081.3	-6.4
PLUS:			
Tax on lump-sum distributions from qualified retirement plans	[1]	[1]	[2]
Alternative minimum tax	24.1	25.6	6.4
EQUALS:			
Income tax before credits	1,179.5	1,106.9	-6.2
LESS: Tax credits, total [3]	63.8	75.4	18.1
Child-care credit	3.5	3.5	1.3
Child tax credit [3]	31.6	30.5	-3.2
Education credit	6.9	7.6	10.5
Foreign tax credit	15.4	16.6	7.4
General business credit	0.8	1.6	95.1
Earned income credit (limited to the amount needed to reduce total income tax to zero)	0.9	1.0	3.9
Credit for prior-year minimum tax	1.0	0.9	-8.7
Retirement savings contribution credit	1.0	1.0	0.1
Other credits [4]	2.6	12.5	381.8
EQUALS:			
Income tax after credits	1,115.8	1,031.6	-7.5
PLUS: Trusts accumulation distribution	[1]	[1]	[2]
EQUALS:			
Total income tax	*1,115.8	1,031.6	-7.5

* 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 2008 was \$20.43 billion which was refunded to taxpayers and not included in total income tax.

[4] Includes credits listed separately in table 2 of Individual Income Tax Returns: 2008, *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2.

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

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 2008, the number of tax returns filed by dependents under age 18 with Form 8615 for reporting investment income greater than \$1,800 (see *Changes in Law* section on tax on child's investment income) was a 0.4 million decrease of 8.4 percent from 2007. 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 8) 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 \$26.1 million for 2008. The net tax reduction was due to a tax reduction of \$259.9 million from use of dividend and capital gains, and a tax increase of \$233.8 million from the Form 8615 tax computation.

As shown in the bottom section of Table 4a, for 2008, 20.9 million returns had their tax liability decreased by Schedule D (capital gains) and dividend tax computations. This was a decrease of 9.7 percent from the 23.2 million returns in 2007. Taxpayers filing these tax returns paid \$68.3 billion (column 8) 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 down from the \$125.7 billion in savings for 2007 due to use of these special tax rates. For these taxpayers, the average tax savings decreased from \$5,420 for 2007 to \$3,264 for 2008.

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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 the *Computation of Alternative Minimum Taxable Income* section of this article 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 2008, AMT liability rose 6.4 percent to \$25.6 billion from \$24.1 billion in 2007. However, the number of returns that were subject to paying the AMT

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 2007 and 2008

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total AMT 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 2008						
All returns	8,107,835	224,641,970	9,368,399	2,115,382,770	3,935,248	25,649,084
Under \$1 [2]	152,087	4,400,620	190,461	-37,762,395	4,522	84,315
\$1 under \$10,000	135,449	411,187	409,114	1,236,415	1,996	1,667
\$10,000 under \$20,000	204,348	697,478	396,431	4,537,718	8,562	6,595
\$20,000 under \$30,000	244,123	1,156,030	383,820	7,332,580	7,219	12,141
\$30,000 under \$40,000	248,545	1,249,629	357,634	10,265,392	1,668	6,468
\$40,000 under \$50,000	251,762	1,501,893	349,773	13,469,193	5,194	19,507
\$50,000 under \$75,000	732,349	6,685,113	899,497	48,078,894	73,921	84,395
\$75,000 under \$100,000	739,983	9,068,168	823,847	62,818,884	113,642	236,706
\$100,000 under \$200,000	2,083,231	38,956,482	2,178,359	285,292,652	860,296	2,008,640
\$200,000 under \$500,000	2,684,791	74,901,818	2,736,825	740,279,297	2,448,210	13,649,960
\$500,000 under \$1,000,000	429,813	27,025,070	438,358	269,265,523	324,641	4,215,840
\$1,000,000 or more	201,354	58,588,480	204,279	710,568,617	85,375	5,322,850
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

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

[2] Includes returns with adjusted gross deficit.

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

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Figure F

Alternative Minimum Tax, Tax Years 1986–2008

[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
2008	[1] 28	3,935,248	25,649,084

[1] Top rate on most long-term capital gains was 20 percent, for 2003-08 the top rate was 15 percent.

decreased by 0.2 million for the period.⁸ Alternative Minimum Taxable Income (AMTI) for all returns filing a Form 6251 decreased 13.0 percent to \$2.1 trillion from 2007.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2008. 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), each of 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 2008, AMT levels rose to \$25.6 billion. Since 2001, the generated amount of the AMT has increased by a total of 279.6 percent. Also, during this same time, the number of returns paying AMT has more than tripled, from 1.1 million to 3.9 million.

Income and Tax Shares

Historical statistics from 1986 through 2008 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 0.1 percent (Table 5 only), 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent of returns. 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 140.0 million returns filed for 2008 with positive AGI.⁹ The average tax rate for these returns was 12.2 percent, a 0.44-percentage point decrease from 2007. (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 13.6-percent average tax rate for taxable returns only, shown in Figure A.) 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 2008, the returns in

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.

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

the top 0.1 percent reported 10.0 percent of total AGI and 18.5 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$1,803,585. For 2007, the returns in this percentile group (i.e., those with at least \$2,155,365 in AGI) reported 11.9 percent of total AGI and 20.2 percent of total income tax.

For 2008, the returns in the top 1 percent reported 20.0 percent of total AGI and 38.0 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$380,354. For 2007, the returns in this percentile group (i.e., those with at least \$410,096 in AGI) reported 22.8 percent of total AGI and 40.4 percent of total income tax.

For 2008, the returns in the top 5-percent group (returns reporting AGI of \$159,619 or more) reported 34.7 percent of total AGI and 58.7 percent of income tax, compared to 37.4 percent and 60.6 percent, respectively, for 2007 (when the AGI floor was \$160,041). For 2008, returns in the top 10-percent group (returns with AGI of at least \$113,799) reported 45.8 percent of AGI and paid 69.9 percent of income tax. For 2007, the returns in this percentile group (with AGI of \$113,018 or more) reported 48.1 percent of total AGI and 71.2 percent of income tax. The top 50-percent group (reporting AGI of \$33,048 or more) accounted for 87.2 percent of AGI and paid almost all (97.3 percent) of the income tax for 2008.

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, 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.

Explanation of Selected Terms

This section provides brief explanations of the major tax concepts discussed in this article. For more extensive definitions, see *Individual Income Tax Returns 2008*, 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, 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

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

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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 0 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, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

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 0-percent, 15-percent, 25-percent, or 28-percent tax rate for capital gains. When a 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

(0 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 4.

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 0-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 (0 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 non-itemizers 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 2008 were generally based on the amount of “gross income,” filing status, age, dependency, and blindness.¹¹ Generally, 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 2008 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 2008, the tax rates for each filing status were 0 percent, 10 percent, 15 percent, 25 percent, 26 percent, 28 percent, 33 percent, and 35 percent. The tax rates of 0 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

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: 2008,” *Statistics of Income Bulletin*, Fall 2010, Volume 30, 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, and one-half of self-employment tax.

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

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To calculate their Federal income tax liability for 2008, 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. 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 28-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$8.00.¹⁶ However, for most taxpayers, the actual difference in tax was smaller.

Changes in Law for 2008

The definitions used in this article are generally the same as those in *Statistics of Income—2008, 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 2008 data presented in this article.

Additional child tax credits—Modifications were made to the additional child tax credit for 2008. In Tax Year 2007, the credit limit based on earned income was 15 percent of a taxpayer’s earned income that exceeded \$11,750. For 2008, the limit was 15 percent of a taxpayer’s earned income that exceeded \$8,500.

Alternative minimum tax (AMT)—For Tax Year 2008, the minimum exemption rose to \$69,950 for a married couple filing a joint return, up from \$66,250 in 2007, and to \$46,200 for singles and heads of household, up from \$44,350, and to \$34,975 from \$33,125 for a married person filing separately.

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 \$2,950 from \$2,900. The maximum credit for taxpayers with no qualifying children increased to \$438 from \$428. For these taxpayers, earned income and AGI had to be less than \$12,880 (\$15,880 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$64 to \$2,917 and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,828 from \$4,716. To be eligible for the credit, a taxpayer’s earned income and AGI had to be less than \$33,995 (\$36,995 for married filing jointly) for one qualifying child, or less than \$38,646 (\$41,646 for married filing jointly) for two or more qualifying children.

Exemption amount—For Tax Year 2008, the exemption amount increased by \$100 to \$3,500. Taxpayers could have lost a portion of their exemption benefits if their adjusted gross income was above certain amounts (\$119,975 married persons filing separately, \$159,950 single individuals, \$199,950 for heads of household, and \$239,950 for married persons filing jointly or qualifying widow(er)s). For 2008, a taxpayer could lose no more than one-third of the dollar amount of their exemption, so the amount of each exemption could not be reduced to less than \$2,333. For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of their exemption. For 2005 and previous years, exemption amounts could be reduced to zero.

First-time homebuyer credit—New for Tax Year 2008, a taxpayer may have claimed this refundable credit if he or she bought a home after April 8, 2008, and did not own a main home during the prior 3 years. Taxpayers were allowed to claim this credit in Tax Year 2008 or 2009, if their modified adjusted gross income was below \$95,000 (\$170,000, if married filing jointly). For homes purchased in

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 \$99,950. Using the tax table, the tax would be \$22,365, but, using the tax rate schedules, the tax would be \$22,358, a difference of \$7.00.¹⁷ For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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2008, the credit operated much like an interest-free loan. Taxpayers generally had to repay the credit over a 15-year period. For homes purchased in 2009, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date. For 2008, 1.2 million taxpayers claimed this credit for a total of \$8.4 billion.

General business credit—For 2008, certain business credits such as the investment credit were allowed against the alternative minimum tax.

Health savings account deduction—For Tax Year 2008, contributions were not limited to the taxpayers annual health plan deductible. The maximum HSA deduction increased by \$50 to \$2,900 (\$5,800, if family coverage, up from \$5,650). These limits were \$900 higher if the taxpayer was age 55 or older.

Heartland Disaster Tax Relief Act of 2008—Temporary tax relief was enacted as a result of severe storms, tornadoes, or flooding affecting Midwestern disaster areas after May 19, 2008, and before August 1, 2008. Major provisions provided by this relief act included:

- (1) Suspended limits for certain personal casualty losses and cash contributions;
- (2) An additional exemption amount if a taxpayer provided housing for a person displaced by the Midwestern disaster;
- (3) An election to use 2007 earned income to calculate 2008 EIC and additional child tax credit.

Indexing—The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the 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—For 2008, a taxpayer (or both taxpayers for taxpayers filing jointly) may have been able to take a deduction for an IRA contribution up to \$5,000 (\$6,000 if age 50 or older). Taxpayers not covered by a retirement plan may have been able to deduct all contributions. The phase-out range for deductible

IRA contributions for those covered by a retirement plan began at income of \$85,000, if married filing jointly or a qualifying widow(er), up from \$83,000 in 2007. The phaseout was \$53,000 for single person or head of household, up from \$52,000 in 2007, and at \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she were a participant in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

Limit on itemized deductions increased—Taxpayers who had adjusted gross income above \$159,950 (\$79,975, if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2007 amounts of \$156,400 (\$78,200, if married filing separately). For Tax Year 2008, the amount by which the deduction was reduced was one-third of the amount of the reduction that would have otherwise applied for 2005 and previous years. For Tax Years 2007 and 2006, the amount by which the deduction was reduced was two-thirds of the amount of the reduction that would have otherwise applied for 2005 and previous years.

Qualified dividends and net capital gain—For Tax Year 2008, the 5-percent tax rate on qualified dividends and net capital gain for taxpayers whose marginal tax rate on ordinary income was 10 percent or 15 percent was reduced to zero. For 2008, 10.9 million taxpayers had a total of \$48.9 billion in this rate.

Real estate tax and net disaster loss deduction—New for 2008, taxpayers could increase their standard deduction by a limited amount of their State and local real estate taxes and their net disaster loss. Taxpayers could have increased their standard deduction by the State and local real estate taxes paid, up to \$500 (\$1,000, if married filing jointly). This deduction was for the real estate taxes that would have been deductible on Schedule A if the taxpayer had itemized their deductions. A taxpayer's net disaster loss was figured by taking their personal casualty losses from a Federally declared disaster minus any personal casualty gains. A total of \$12.1 billion were deducted due to the addition of these two new provisions. Most of this (\$11.3 billion) was deducted by 15.7 million taxpayers for real estate taxes paid.

Recovery rebate credit—A taxpayer was able to take this credit only if he or she had not received an economic stimulus payment in Tax Year 2007 or if

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his or her economic stimulus payment was less than \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child the taxpayer had for 2008. This credit was figured like the economic stimulus payment the previous year, except the amounts were based on Tax Year 2008 instead of Tax Year 2007. The maximum credit was \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child.

Residential energy credit—The credit for nonbusiness energy property expired and did not apply for 2008.

Standard deduction amount increased—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2008 than it was in 2007. 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 2008, the standard deduction increased to \$10,900 for joint filers, up from \$10,700 in 2007. For single filers and married filing separately the deduction amount increased by \$100 to \$5,450. For heads of households, the deduction was \$8,000 (\$150 higher than in 2007). In addition, the additional standard deduction for being 65 or older or blind was increased by \$50 per taxpayer for single and head of household filers only. As mentioned above, the standard deduction could be increased by a limited amount of real estate taxes paid and certain net casualty losses.

Tax on child's investment income—New for 2008, Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

Income and Tax Concepts

As discussed in the *Income Tax Structure* section, gross income is all income received that is not specifically excluded. Total income is the net amount of

Figure G

Components of the 1979 Income Concept, Tax Year 2008

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 2008.

[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 2008.

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

[6] Not included in AGI for Tax Year 2008.

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).

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

Figure H

Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2008

[Money amounts are in dollars]

Item	Amount
Adjusted gross income	410,000
Less: Exemption	[1] 2,333
Standard deduction	5,450
Equals: Taxable income	402,217
Tax based on tax rates for single taxpayers:	
First \$8,025 taxed at 10 percent	803
Next \$24,525 taxed at 15 percent	3,679
Next \$46,300 taxed at 25 percent	11,575
Next \$85,700 taxed at 28 percent	23,996
Next \$193,150 taxed at 33 percent	63,740
Next \$44,517 taxed at 35 percent	15,581
Total tax from tax rate schedule	119,373

[1] The exemption amount was limited to \$2,333 because AGI exceeded \$282,450.

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 2008 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 4.3 million returns) or certain farm sole proprietor returns using income-averaging on Schedule J (about 82 thousand returns) or those returns with foreign-earned income having to use a worksheet to determine their taxes (about 171.6 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.

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 \$8,025 of taxable income were taxed at the 10-percent rate; the next \$24,525 of taxable income were taxed at the 15-percent rate; the next \$46,300 were taxed at the 25-percent rate; the next \$85,700 were taxed at the 28-percent rate; the next \$193,150 were taxed at the 33-percent rate; and the remaining \$44,517 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 that 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 (see changes in law section on tax on child’s investment income). The investment income in excess of \$1,800 was taxed

¹⁷ For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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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 "0-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 income of their dependents under age 18 (or under 24 if students) 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.

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 1 of the following 12 mutually exclusive marginal tax rate categories: (1) 0-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 (capital gains); (6) 25-percent rate; (7) 25-percent (capital gains); (8) 28-percent rate; (9) 28-percent (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

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.

and 5) show the total amount 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) report 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 817,167 returns in this classification “at all rates” was \$946.2 billion (column 3), and the total tax generated was \$279.9 billion (column 5). Approximately \$512.4 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 \$179.3 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 \$790.8 billion and generated total tax of \$184.1 billion. Of this \$790.8 billion of modified taxable income, \$51.1 billion were taxed at 10 percent (ordinary tax rate); \$154.5 billion were taxed at 15 percent (ordinary tax rate); \$207.5 billion were taxed at 25 percent (ordinary tax); \$178.5 billion were taxed at 28 percent (ordinary tax); \$125.7 billion were taxed at 33 percent; and \$9.7 billion were taxed at 35 percent. Approximately \$4.3 billion were taxed at the 0-percent (capital gains) rate; \$57.2 billion were taxed at the 15-percent capital gain and qualified dividend rate; \$1.4 billion were taxed at the 25-percent capital gain rate; \$0.2 billion were taxed at the 28-percent capital gain rate, with the remainder from tax related to Forms 8814 and 8615.

Figure I

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2008

	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.

Table 3 presents statistics on the income and tax generated at each tax rate by filing status, for returns with modified taxable income. More than 0.8 million of the 45.2 million jointly filed returns (including surviving spouses) with modified taxable income had some income taxed at the 35-percent tax rate. For these returns, the taxable income subject to this rate was \$512.4 billion, and the tax generated was \$179.3 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 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 2008).

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Figure J

Alternative Minimum Tax Adjustments and Preferences, Tax Year 2008

- 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
- If standard deduction is claimed, amount from Form 4684, line 18a as a negative amount
- 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% if sold after May 5, 2003, otherwise multiplied by 42%
- 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

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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 2008 was \$46,200; for joint filers and surviving spouses, \$69,950; and for married persons filing separately, \$34,975. 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 \$297,300, \$429,800, and \$214,900, of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500, if married filing separately) of the remaining AMTI was 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 (0 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.” 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 and certain children under 24 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 \$6,400 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 and certain children under 24, 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 2008. 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 were then selected at rates ranging from 0.10 percent to 100 percent. The 2008 data are based on a sample of 328,630 returns and an estimated final population of 142,580,866 returns.²⁰ The corresponding sample and population for the 2007 data were 336,226 and 153,832,380 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 SOI Sampling Methodology and Data Limitations, later in this issue of the *SOI Bulletin*.

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*.

²⁰ This population includes an estimated 130,297 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.

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Figure K

Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2008

[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	0.14	0.15	0.15
Under \$2,000 [1]	6.33	7.59	10.97	12.66	12.66
\$2,000 under \$4,000	4.87	5.85	7.64	7.75	7.75
\$4,000 under \$6,000	3.96	6.53	8.43	8.30	8.30
\$6,000 under \$8,000	2.88	3.33	3.74	3.64	3.64
\$8,000 under \$10,000	2.37	3.13	3.31	3.58	3.58
\$10,000 under \$12,000	1.96	2.39	2.55	3.26	3.26
\$12,000 under \$14,000	1.89	2.09	2.16	2.76	2.76
\$14,000 under \$16,000	1.82	1.99	2.04	2.56	2.56
\$16,000 under \$18,000	1.78	1.95	2.01	2.42	2.42
\$18,000 under \$20,000	1.67	1.88	1.93	2.27	2.27
\$20,000 under \$25,000	1.01	1.15	1.19	1.43	1.43
\$25,000 under \$30,000	1.02	1.14	1.19	1.44	1.44
\$30,000 under \$40,000	0.75	0.82	0.85	0.99	0.99
\$40,000 under \$50,000	0.82	0.87	0.91	1.03	1.03
\$50,000 under \$75,000	0.49	0.53	0.57	0.64	0.64
\$75,000 under \$100,000	0.75	0.76	0.80	0.85	0.85
\$100,000 under \$200,000	0.52	0.53	0.55	0.57	0.57
\$200,000 under \$500,000	0.66	0.63	0.65	0.64	0.64
\$500,000 under \$1,000,000	1.02	0.93	0.95	0.95	0.95
\$1,000,000 under \$1,500,000	1.26	1.24	1.29	1.28	1.28
\$1,500,000 under \$2,000,000	0.95	0.97	1.01	1.01	1.01
\$2,000,000 under \$5,000,000	0.55	0.49	0.52	0.52	0.52
\$5,000,000 under \$10,000,000	0.62	0.55	0.58	0.58	0.58
\$10,000,000 or more	0.03	0.03	0.04	0.04	0.04

[1] Includes returns with adjusted gross deficit.

Individual Income Tax Rates and Shares, 2008

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Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008

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

Filing status and 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		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income	Modified taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All returns									
All tax rates	107,978,328	8,093,076,552	5,652,315,095	2,046,891,720	1,081,295,469	478,300,465	1,030,655,661	12.7	18.2
0 percent	828,798	22,915,672	5,641,894	5,641,894	0	0	148,457	0.6	2.6
5 percent	36,171	1,259,347	401,369	401,369	20,069	20,068	16,602	1.3	4.1
10 percent	26,189,462	565,497,651	144,416,442	136,437,399	13,653,580	13,643,740	5,919,138	1.0	4.1
10 percent (Form 8814)	19,088	-524,478	24,916	24,916	2,492	2,492	16,026	[2]	64.3
15 percent	42,389,614	1,962,985,646	1,163,636,276	668,520,114	149,790,612	100,278,017	117,735,391	6.0	10.1
15 percent (capital gains)	7,742,786	675,103,183	453,870,406	160,333,697	57,572,176	24,050,055	55,453,172	8.2	12.2
25 percent	23,286,637	2,216,657,113	1,644,133,455	297,322,950	278,040,704	74,330,738	268,533,250	12.1	16.3
25 percent (capital gains)	184,687	37,756,328	31,530,529	3,471,712	5,349,787	867,928	5,526,962	14.6	17.5
28 percent	4,257,855	764,733,160	610,072,127	50,520,245	127,944,621	14,145,669	130,767,219	17.1	21.4
28 percent (capital gains)	18,108	4,739,812	3,766,145	1,312,718	794,906	367,561	848,780	17.9	22.5
33 percent	1,669,518	543,141,242	451,864,124	96,582,283	109,741,449	31,872,153	115,750,421	21.3	25.6
35 percent	971,510	1,293,677,931	1,138,591,766	622,765,389	337,546,859	217,967,886	329,149,724	25.4	28.9
Form 8615	384,095	5,133,946	4,365,648	3,557,032	838,213	754,158	790,520	15.4	18.1
Joint returns and returns of surviving spouses									
All tax rates	45,204,538	5,386,905,509	3,847,280,164	1,340,997,213	763,782,397	333,421,609	733,923,399	13.6	19.1
0 percent	234,579	12,530,498	2,855,345	2,855,345	0	0	90,076	0.7	3.2
5 percent	9,742	588,914	208,845	208,845	10,442	10,442	6,905	1.2	3.3
10 percent	7,302,369	253,435,928	62,871,000	57,382,709	5,743,441	5,738,271	2,478,179	1.0	3.9
10 percent (Form 8814)	9,774	-534,247	15,310	15,310	1,531	1,531	15,815	[2]	103.3
15 percent	16,780,527	1,127,331,206	660,015,641	390,662,362	85,535,078	58,599,354	65,448,553	5.8	9.9
15 percent (capital gains)	4,965,323	510,399,043	342,104,640	114,679,538	43,555,292	17,201,931	41,538,620	8.1	12.1
25 percent	11,225,922	1,419,016,243	1,035,853,564	157,991,826	173,390,552	39,497,957	166,567,592	11.7	16.1
25 percent (capital gains)	115,061	27,423,808	22,753,447	2,484,016	3,851,472	621,004	4,012,544	14.6	17.6
28 percent	2,441,704	520,139,763	409,105,948	26,241,649	84,156,940	7,347,662	86,353,665	16.6	21.1
28 percent (capital gains)	9,320	3,082,397	2,400,211	810,298	498,757	226,883	542,410	17.6	22.6
33 percent	1,293,050	438,740,250	362,862,114	75,314,325	87,182,436	24,853,727	92,472,714	21.1	25.5
35 percent	817,167	1,074,751,706	946,234,100	512,350,991	279,856,455	179,322,847	274,396,326	25.5	29.0
Form 8615	0	0	0	0	0	0	0	0.0	0.0
Returns of married persons filing separately									
All tax rates	2,275,910	158,872,871	117,288,222	54,204,380	24,714,758	14,239,655	23,502,124	14.8	20.0
0 percent	6,688	278,927	81,292	81,292	0	0	9,488	3.4	11.7
5 percent	* 652	* 13,172	* 33	* 33	**	**	**	[2]	[2]
10 percent	325,213	5,657,362	1,393,503	1,356,903	** 135,707	** 135,692	** 89,276	1.6	6.4
10 percent (Form 8814)	* 674	* -26,045	* 604	* 604	* 60	* 60	* 212	[2]	* 35.1
15 percent	1,059,758	34,662,822	20,641,507	12,136,948	2,671,013	1,820,542	2,284,839	6.6	11.1
15 percent (capital gains)	85,569	11,778,962	8,264,596	6,174,138	1,153,139	926,121	1,221,119	10.4	14.8
25 percent	565,635	34,958,744	25,977,540	5,568,540	4,370,077	1,392,135	4,263,512	12.2	16.4
25 percent (capital gains)	4,128	856,426	768,137	82,502	125,799	20,626	133,815	15.6	17.4
28 percent	138,403	14,475,919	11,545,381	1,439,542	2,382,532	403,072	2,444,858	16.9	21.2
28 percent (capital gains)	* 717	* 129,448	* 109,963	* 23,380	* 22,817	* 6,546	* 24,850	* 19.2	* 22.6
33 percent	54,607	9,750,037	8,096,977	1,715,682	1,927,652	566,175	2,017,161	20.7	24.9
35 percent	33,864	46,337,097	40,408,689	25,624,818	11,925,960	8,968,686	11,012,995	23.8	27.3
Form 8615	0	0	0	0	0	0	0	0.0	0.0

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008—Continued

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

Filing status and 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		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
								Adjusted gross income	Modified taxable income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Returns of heads of households									
All tax rates	13,612,171	589,358,159	316,316,689	141,658,936	49,686,348	25,068,019	38,846,395	6.6	12.3
0 percent	10,198	498,220	142,386	142,386	0	0	4,469	0.9	3.1
5 percent	* 381	* 45,654	* 4,315	* 4,315	* 216	* 216	* 98	* 0.2	* 2.3
10 percent	5,874,894	139,608,134	31,509,745	31,303,847	3,131,151	3,130,385	264,414	0.2	0.8
10 percent (Form 8814)	7,184	34,592	7,229	7,229	723	723	0	[2]	[2]
15 percent	5,908,726	250,001,479	135,536,789	67,869,884	16,947,334	10,180,483	9,928,467	4.0	7.3
15 percent (capital gains)	290,037	19,902,145	12,846,179	4,433,391	1,606,781	665,009	1,422,936	7.1	11.1
25 percent	1,343,607	117,966,589	84,592,606	20,019,793	14,394,523	5,004,948	13,691,757	11.6	16.2
25 percent (capital gains)	4,034	782,873	663,315	91,791	117,520	22,948	118,975	15.2	17.9
28 percent	109,511	19,951,606	15,666,664	1,537,098	3,396,957	430,387	3,663,248	18.4	23.4
28 percent (capital gains)	321	207,637	163,460	52,831	34,657	14,793	35,420	17.1	21.7
33 percent	43,947	13,554,371	11,312,480	2,530,139	2,830,272	834,946	3,030,517	22.4	26.8
35 percent	19,331	26,804,860	23,871,520	13,666,231	7,226,214	4,783,181	6,686,096	24.9	28.0
Form 8615	0	0	0	0	0	0	0	0.0	0.0
Returns of single persons									
All tax rates	46,885,709	1,957,940,013	1,371,430,020	510,031,190	243,111,965	105,571,185	234,383,743	12.0	17.1
0 percent	577,332	9,608,027	2,562,871	2,562,871	0	0	44,424	0.5	1.7
5 percent	25,395	611,607	188,177	188,177	9,409	9,409	9,597	1.6	5.1
10 percent	12,686,986	166,796,226	48,642,193	46,393,940	4,643,283	4,639,394	3,087,272	1.9	6.3
10 percent (Form 8814)	* 1,456	* 1,223	* 1,773	* 1,773	* 177	* 177	[3]	[2]	[2]
15 percent	18,640,602	550,990,140	347,442,339	197,850,920	44,637,187	29,677,638	40,073,532	7.3	11.5
15 percent (capital gains)	2,401,857	133,023,032	90,654,990	35,046,630	11,256,964	5,256,995	11,270,497	8.5	12.4
25 percent	10,151,472	644,715,537	497,709,744	113,742,792	85,885,552	28,435,698	84,010,390	13.0	16.9
25 percent (capital gains)	61,464	8,693,221	7,345,630	813,402	1,254,994	203,351	1,261,628	14.5	17.2
28 percent	1,568,237	210,165,873	173,754,134	21,301,956	38,008,192	5,964,548	38,305,447	18.2	22.0
28 percent (capital gains)	7,750	1,320,330	1,092,512	426,210	238,675	119,339	246,101	18.6	22.5
33 percent	277,915	81,096,583	69,592,552	17,022,138	17,801,090	5,617,306	18,230,028	22.5	26.2
35 percent	101,149	145,784,268	128,077,457	71,123,349	38,538,229	24,893,172	37,054,306	25.4	28.9
Form 8615	384,095	5,133,946	4,365,648	3,557,032	838,213	754,158	790,520	15.4	18.1

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

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

[2] Percentage not computed.

[3] Less than \$500.

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

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008

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

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at a specific rate	
					0 percent	
					Number of returns	Income taxed at rate
	(1)	(2)	(3)	(4)	(5)	(6)
Total	107,978,328	5,652,901,768	5,652,315,095	1,081,295,469	10,897,964	48,940,232
Under \$2,000	217,955	94,544	95,996	4,553	136,875	45,093
\$2,000 under \$4,000	365,765	472,070	482,314	46,472	117,021	75,045
\$4,000 under \$6,000	587,434	565,916	601,058	68,738	81,676	49,002
\$6,000 under \$8,000	1,137,799	1,881,438	1,895,246	187,187	89,693	71,543
\$8,000 under \$10,000	1,651,758	3,288,185	3,298,111	330,361	76,546	55,484
\$10,000 under \$12,000	2,342,620	6,184,418	6,194,073	618,635	170,179	131,353
\$12,000 under \$14,000	2,542,013	10,175,724	10,198,127	1,008,780	199,567	226,176
\$14,000 under \$16,000	2,747,013	14,294,811	14,318,129	1,419,491	214,975	306,389
\$16,000 under \$18,000	2,880,415	18,728,102	18,767,685	1,892,034	217,907	359,307
\$18,000 under \$20,000	3,266,667	23,768,267	23,797,888	2,532,470	219,471	394,534
\$20,000 under \$25,000	8,354,766	77,438,957	77,513,521	8,784,435	650,162	1,085,295
\$25,000 under \$30,000	8,078,487	104,419,992	104,479,673	12,351,214	688,713	1,396,610
\$30,000 under \$40,000	14,031,669	263,132,643	263,366,028	32,408,731	1,491,780	3,566,375
\$40,000 under \$50,000	10,881,138	289,669,727	289,954,115	37,948,614	1,281,145	3,871,754
\$50,000 under \$75,000	19,044,011	748,727,969	749,175,443	107,402,789	2,554,868	10,011,312
\$75,000 under \$100,000	11,672,302	688,201,008	688,421,298	102,841,250	1,869,882	10,560,919
\$100,000 under \$200,000	13,816,581	1,340,889,772	1,341,665,258	240,148,659	664,892	10,034,791
\$200,000 under \$500,000	3,466,191	790,018,151	790,767,386	184,072,786	120,848	4,332,133
\$500,000 under \$1,000,000	574,677	332,577,165	332,628,285	92,512,758	28,087	1,182,342
\$1,000,000 under \$1,500,000	139,660	146,685,193	146,620,836	42,310,594	8,257	382,677
\$1,500,000 under \$2,000,000	59,078	88,993,612	88,891,292	25,763,527	4,022	197,104
\$2,000,000 under \$5,000,000	85,689	225,389,176	224,994,383	64,697,267	7,126	366,368
\$5,000,000 under \$10,000,000	21,238	129,065,855	128,603,947	35,640,067	2,312	127,027
\$10,000,000 or more	13,403	348,239,073	345,585,002	86,304,057	1,960	111,598

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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			10 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(7)	(8)	(9)	(10)	(11)	(12)
Total	205,858	2,275,699	113,790	106,892,311	1,109,076,691	110,907,669
Under \$2,000	* 1,304	* 925	* 46	107,879	47,544	4,754
\$2,000 under \$4,000	* 1,978	* 3,740	* 186	293,611	264,889	26,489
\$4,000 under \$6,000	* 2,306	* 4,589	* 229	542,703	352,669	35,267
\$6,000 under \$8,000	* 3,647	* 9,629	* 482	1,126,133	1,692,294	169,229
\$8,000 under \$10,000	* 3,912	* 11,694	* 584	1,619,827	3,112,456	311,246
\$10,000 under \$12,000	* 5,550	* 11,610	* 580	2,282,810	5,892,351	589,235
\$12,000 under \$14,000	* 6,858	* 12,132	* 607	2,485,043	9,828,013	982,801
\$14,000 under \$16,000	* 3,542	* 9,345	* 468	2,701,603	13,633,799	1,363,380
\$16,000 under \$18,000	* 4,249	* 22,003	* 1,100	2,848,743	17,457,164	1,745,716
\$18,000 under \$20,000	* 3,861	* 23,057	* 1,152	3,234,074	19,574,031	1,957,403
\$20,000 under \$25,000	7,181	26,180	1,310	8,253,215	53,634,315	5,363,432
\$25,000 under \$30,000	14,203	62,680	3,134	8,028,431	62,309,008	6,230,901
\$30,000 under \$40,000	30,892	164,404	8,221	13,955,182	131,340,150	13,134,015
\$40,000 under \$50,000	15,620	82,959	4,150	10,832,691	118,904,133	11,890,413
\$50,000 under \$75,000	31,607	235,289	11,763	18,970,982	239,532,319	23,953,232
\$75,000 under \$100,000	27,241	288,758	14,439	11,622,236	164,297,557	16,429,756
\$100,000 under \$200,000	28,755	795,300	39,766	13,724,260	203,337,741	20,333,774
\$200,000 under \$500,000	9,440	352,558	17,629	3,407,780	51,142,105	5,114,211
\$500,000 under \$1,000,000	1,710	59,953	2,998	556,825	8,308,851	830,885
\$1,000,000 under \$1,500,000	690	29,700	1,485	133,286	1,983,374	198,337
\$1,500,000 under \$2,000,000	308	14,906	745	55,662	825,105	82,511
\$2,000,000 under \$5,000,000	604	32,639	1,632	79,077	1,164,861	116,486
\$5,000,000 under \$10,000,000	213	11,470	574	18,920	276,863	27,686
\$10,000,000 or more	187	10,181	509	11,339	165,099	16,510

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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)			15 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)
Total	131,638	151,299	15,132	80,264,660	1,971,611,116	295,741,667
Under \$2,000	1,429	1,418	142	0	0	0
\$2,000 under \$4,000	* 1,300	* 1,757	* 176	0	0	0
\$4,000 under \$6,000	* 1,658	* 4,204	* 420	* 1,304	* 2,173	* 326
\$6,000 under \$8,000	* 1,197	* 1,077	* 108	* 674	* 4,183	* 627
\$8,000 under \$10,000	* 1,443	* 1,760	* 176	* 2,350	* 3,689	* 553
\$10,000 under \$12,000	* 1,400	* 976	* 97	* 7,624	* 12,433	* 1,865
\$12,000 under \$14,000	* 2,604	* 2,344	* 234	73,897	33,659	5,049
\$14,000 under \$16,000	* 652	* 587	* 59	171,069	258,119	38,718
\$16,000 under \$18,000	* 1,304	* 1,760	* 176	946,415	823,058	123,459
\$18,000 under \$20,000	* 2,590	* 3,494	* 349	1,822,239	3,729,798	559,470
\$20,000 under \$25,000	* 3,897	* 6,363	* 637	4,506,234	22,628,645	3,394,297
\$25,000 under \$30,000	* 2,344	* 2,109	* 211	4,864,755	40,596,508	6,089,476
\$30,000 under \$40,000	6,787	8,409	842	10,327,259	128,062,036	19,209,305
\$40,000 under \$50,000	4,397	10,110	1,011	9,730,262	156,620,417	23,493,063
\$50,000 under \$75,000	19,890	23,357	2,334	18,380,019	408,784,551	61,317,683
\$75,000 under \$100,000	19,227	23,091	2,309	11,517,788	413,447,416	62,017,112
\$100,000 under \$200,000	30,160	29,127	2,914	13,670,452	603,683,252	90,552,488
\$200,000 under \$500,000	18,615	17,585	1,760	3,391,701	154,466,462	23,169,969
\$500,000 under \$1,000,000	5,795	6,350	635	553,554	25,098,300	3,764,745
\$1,000,000 under \$1,500,000	1,973	2,082	208	132,715	5,989,710	898,457
\$1,500,000 under \$2,000,000	856	972	97	55,369	2,495,394	374,309
\$2,000,000 under \$5,000,000	1,383	1,527	153	78,810	3,530,101	529,515
\$5,000,000 under \$10,000,000	455	523	52	18,853	839,421	125,913
\$10,000,000 or more	281	318	32	11,317	501,791	75,269

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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)			25 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(19)	(20)	(21)	(22)	(23)	(24)
Total	12,006,157	466,964,547	70,044,999	30,355,956	871,091,740	217,772,935
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	* 834	* 2,007	* 502
\$30,000 under \$40,000	1,978	7,390	1,109	13,451	83,285	20,821
\$40,000 under \$50,000	411,335	480,212	72,043	2,720,058	9,844,320	2,461,080
\$50,000 under \$75,000	1,507,035	5,224,457	783,707	6,263,571	85,051,625	21,262,906
\$75,000 under \$100,000	1,566,962	6,258,690	938,844	4,829,948	91,658,056	22,914,514
\$100,000 under \$200,000	5,448,564	36,575,197	5,486,422	12,375,750	424,686,487	106,171,622
\$200,000 under \$500,000	2,320,993	57,161,544	8,574,295	3,321,243	207,510,779	51,877,695
\$500,000 under \$1,000,000	467,536	43,291,626	6,493,756	540,886	34,073,508	8,518,377
\$1,000,000 under \$1,500,000	120,214	26,227,346	3,934,105	129,286	8,112,508	2,028,127
\$1,500,000 under \$2,000,000	52,049	18,746,808	2,812,022	54,180	3,399,825	849,956
\$2,000,000 under \$5,000,000	77,111	58,472,479	8,770,874	77,114	4,825,327	1,206,332
\$5,000,000 under \$10,000,000	19,682	43,685,989	6,552,899	18,509	1,153,450	288,363
\$10,000,000 or more	12,699	170,832,810	25,624,922	11,126	690,562	172,641

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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 (capital gains)			28 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)
Total	334,377	6,515,717	1,628,972	6,903,701	296,231,725	82,944,883
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	**	**	**
\$40,000 under \$50,000	* 1,002	* 8	* 2	** 97	** 83	** 24
\$50,000 under \$75,000	24,835	38,202	9,553	4,297	31,407	8,794
\$75,000 under \$100,000	32,671	74,665	18,672	301,449	1,716,138	480,519
\$100,000 under \$200,000	133,101	714,609	178,671	2,683,916	59,862,073	16,761,380
\$200,000 under \$500,000	93,943	1,401,172	350,303	3,103,825	178,486,047	49,976,093
\$500,000 under \$1,000,000	27,024	1,119,770	279,946	526,435	36,461,730	10,209,284
\$1,000,000 under \$1,500,000	8,711	664,898	166,226	125,746	8,729,724	2,444,323
\$1,500,000 under \$2,000,000	3,818	383,921	95,981	52,919	3,670,035	1,027,610
\$2,000,000 under \$5,000,000	6,106	895,123	223,781	75,748	5,249,080	1,469,742
\$5,000,000 under \$10,000,000	1,809	476,346	119,087	18,239	1,266,182	354,531
\$10,000,000 or more	1,357	747,001	186,750	11,030	759,227	212,584

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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 (capital gains)			33 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(31)	(32)	(33)	(34)	(35)	(36)
Total	26,390	2,310,169	646,849	2,641,250	250,813,195	82,768,354
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0	0
\$40,000 under \$50,000	0	0	0	0	0	0
\$50,000 under \$75,000	* 3,866	* 6,706	* 1,878	0	0	0
\$75,000 under \$100,000	* 2,680	* 62	* 18	311	5,415	1,787
\$100,000 under \$200,000	8,644	22,541	6,312	79,729	1,670,248	551,182
\$200,000 under \$500,000	7,381	243,474	68,172	1,770,145	125,681,601	41,474,928
\$500,000 under \$1,000,000	1,586	146,156	40,924	512,891	79,806,362	26,336,099
\$1,000,000 under \$1,500,000	877	180,199	50,456	123,023	19,317,254	6,374,694
\$1,500,000 under \$2,000,000	312	74,630	20,897	51,886	8,132,814	2,683,829
\$2,000,000 under \$5,000,000	661	423,679	118,630	74,368	11,661,379	3,848,255
\$5,000,000 under \$10,000,000	192	297,591	83,326	17,970	2,826,956	932,895
\$10,000,000 or more	191	915,129	256,236	10,926	1,711,165	564,684

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—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			Form 8615		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(37)	(38)	(39)	(40)	(41)	(42)
Total	971,591	622,775,935	217,971,577	384,095	3,557,032	754,158
Under \$2,000	0	0	0	9,831	1,016	144
\$2,000 under \$4,000	0	0	0	123,811	136,883	25,528
\$4,000 under \$6,000	0	0	0	84,745	188,422	36,412
\$6,000 under \$8,000	0	0	0	37,949	116,520	19,350
\$8,000 under \$10,000	0	0	0	28,159	113,028	19,318
\$10,000 under \$12,000	0	0	0	25,838	145,350	28,685
\$12,000 under \$14,000	0	0	0	11,970	95,802	20,387
\$14,000 under \$16,000	0	0	0	14,198	109,890	17,912
\$16,000 under \$18,000	0	0	0	9,854	104,393	21,879
\$18,000 under \$20,000	0	0	0	4,719	72,974	14,229
\$20,000 under \$25,000	0	0	0	7,965	132,723	25,124
\$25,000 under \$30,000	0	0	0	5,678	110,752	26,691
\$30,000 under \$40,000	0	0	0	5,522	133,924	34,180
\$40,000 under \$50,000	0	0	0	3,763	140,174	26,419
\$50,000 under \$75,000	0	0	0	4,543	236,218	50,308
\$75,000 under \$100,000	0	0	0	1,275	90,530	23,027
\$100,000 under \$200,000	1,429	6,626	2,319	2,529	247,265	60,822
\$200,000 under \$500,000	225,614	9,741,240	3,409,434	749	230,686	38,223
\$500,000 under \$1,000,000	476,985	102,688,961	35,941,136	564	384,376	93,941
\$1,000,000 under \$1,500,000	118,048	74,734,035	26,156,912	254	267,328	57,262
\$1,500,000 under \$2,000,000	49,733	50,784,347	17,774,521	107	165,431	41,049
\$2,000,000 under \$5,000,000	71,636	138,216,384	48,375,734	51	155,436	36,127
\$5,000,000 under \$10,000,000	17,429	77,513,307	27,129,657	19	128,822	25,083
\$10,000,000 or more	10,717	169,091,034	59,181,862	3	49,088	12,058

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

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

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

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Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008

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

Tax rate class	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately
	Number of returns [1]	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All tax rates	107,978,328	5,652,315,095	1,081,310,619	45,204,538	3,847,280,164	763,780,726	2,275,910
0 percent	10,897,964	48,940,232	0	6,316,269	33,260,187	0	113,425
5 percent	205,858	2,275,699	113,785	92,778	1,404,081	70,204	3,740
10 percent	106,892,311	1,109,076,691	110,907,669	44,859,462	659,881,863	65,988,186	2,262,646
10 percent (Form 8814) [1]	131,638	151,299	15,132	106,646	120,341	12,036	1,736
15 percent	80,264,660	1,971,611,116	295,741,667	37,511,255	1,294,009,644	194,101,447	1,936,708
15 percent (capital gains) [2]	12,006,157	466,964,547	70,044,682	7,806,371	349,650,170	52,447,525	190,419
25 percent	30,355,956	871,091,740	217,772,935	15,883,000	575,346,945	143,836,736	796,466
25 percent (capital gains)	334,377	6,515,717	1,628,929	223,309	4,891,220	1,222,805	7,870
28 percent	6,903,701	296,231,725	82,944,883	4,553,917	210,811,277	59,027,157	227,548
28 percent (capital gains)	26,390	2,310,169	646,847	15,965	1,617,100	452,788	746
33 percent	2,641,250	250,813,195	82,768,354	2,110,217	203,936,346	67,298,994	88,471
35 percent	971,591	622,775,935	217,971,577	817,167	512,350,991	179,322,847	33,864
Form 8615 [3]	384,095	3,557,032	754,158	0	0	0	0

Footnotes at end of table.

Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008—Continued

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

Tax rate class	Returns of married persons filing separately—continued		Returns of heads of households			Returns of single persons		
	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates	117,288,222	24,714,668	13,612,171	316,316,689	49,685,818	46,885,709	1,371,430,020	243,129,407
0 percent	468,920	0	389,634	1,362,886	0	4,078,636	13,848,239	0
5 percent	17,835	892	8,262	77,414	3,871	101,077	776,369	38,818
10 percent	16,902,109	1,690,211	13,585,066	119,568,442	11,956,844	46,185,137	312,724,277	31,272,428
10 percent (Form 8814) [1]	946	94	20,471	27,041	2,705	2,785	2,970	297
15 percent	32,771,640	4,915,746	7,708,044	120,959,765	18,143,965	33,108,653	523,870,067	78,580,510
15 percent (capital gains) [2]	17,368,984	2,605,348	308,600	10,582,624	1,587,394	3,700,767	89,362,769	13,404,415
25 percent	14,592,266	3,648,066	1,520,580	36,802,921	9,200,730	12,155,910	244,349,607	61,087,402
25 percent (capital gains)	160,388	40,097	7,629	141,164	35,291	95,569	1,322,945	330,736
28 percent	4,947,157	1,385,204	173,089	7,141,053	1,999,495	1,949,147	73,332,239	20,533,027
28 percent (capital gains)	52,359	14,661	371	68,324	19,131	9,307	572,386	160,268
33 percent	4,380,799	1,445,664	63,277	5,918,824	1,953,212	379,285	36,577,226	12,070,484
35 percent	25,624,818	8,968,686	19,331	13,666,231	4,783,181	101,229	71,133,894	24,896,863
Form 8615 [3]	0	0	0	0	0	384,095	3,557,032	754,158

[1] 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 \$900 and \$9,000) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

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

[3] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,800. The returns in this rate classification are not distributed by tax rate.

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

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008

[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	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns with regular tax computation only							
Total	85,418,967	4,561,162,471	2,889,223,853	85,418,967	473,562,743	85,418,967	473,097,069
Under \$5,000	236,500	551,120	194,055	236,500	19,478	236,500	19,404
\$5,000 under \$10,000	2,917,315	23,287,890	4,588,356	2,917,315	459,345	2,917,315	459,345
\$10,000 under \$15,000	5,614,096	70,416,159	21,174,012	5,614,096	2,125,814	5,614,096	2,126,237
\$15,000 under \$20,000	7,027,612	123,573,515	45,904,838	7,027,612	4,817,528	7,027,612	4,817,338
\$20,000 under \$25,000	7,680,823	172,896,336	71,850,761	7,680,823	8,264,263	7,680,823	8,264,104
\$25,000 under \$30,000	7,365,426	202,131,395	95,688,414	7,365,426	11,471,896	7,365,426	11,471,248
\$30,000 under \$40,000	12,487,221	434,083,827	234,733,478	12,487,221	29,314,151	12,487,221	29,313,381
\$40,000 under \$50,000	9,272,315	415,343,053	246,998,655	9,272,315	32,846,119	9,272,315	32,839,834
\$50,000 under \$75,000	15,123,300	926,523,084	588,516,125	15,123,300	85,391,463	15,123,300	85,378,315
\$75,000 under \$100,000	8,456,976	729,852,412	493,867,464	8,456,976	74,832,354	8,456,976	74,797,592
\$100,000 under \$200,000	8,014,139	1,038,899,386	745,193,649	8,014,139	133,834,905	8,014,139	133,729,675
\$200,000 under \$500,000	1,098,597	297,839,001	233,125,118	1,098,597	55,788,059	1,098,597	55,650,548
\$500,000 under \$1,000,000	95,060	62,836,753	52,977,642	95,060	16,071,249	95,060	15,970,974
\$1,000,000 under \$1,500,000	15,957	19,213,324	16,707,608	15,957	5,433,800	15,957	5,420,468
\$1,500,000 under \$2,000,000	5,509	9,433,468	7,964,102	5,509	2,649,607	5,509	2,641,825
\$2,000,000 under \$5,000,000	6,674	19,060,292	16,444,100	6,674	5,608,387	6,674	5,580,683
\$5,000,000 under \$10,000,000	1,047	7,079,380	6,136,779	1,047	2,135,509	1,047	2,120,804
\$10,000,000 or more	400	8,142,077	7,158,697	400	2,498,816	400	2,495,293
Returns with Form 8615 tax computation [2]							
Total	384,095	5,133,946	4,365,648	384,095	823,259	384,095	797,121
Under \$5,000	181,088	608,301	436,525	181,088	41,116	181,088	52,159
\$5,000 under \$10,000	103,407	724,249	497,766	103,407	46,539	103,407	65,388
\$10,000 under \$15,000	45,353	544,208	410,221	45,353	43,279	45,353	65,234
\$15,000 under \$20,000	21,226	361,430	318,491	21,226	36,192	21,226	50,728
\$20,000 under \$25,000	7,965	174,411	152,786	7,965	19,721	7,965	26,603
\$25,000 under \$30,000	5,678	160,566	135,640	5,678	18,195	5,678	29,690
\$30,000 under \$40,000	5,522	188,180	156,967	5,522	21,844	5,522	36,744
\$40,000 under \$50,000	* 3,763	* 168,967	* 147,052	* 3,763	* 23,534	* 3,763	* 26,966
\$50,000 under \$75,000	* 4,543	* 271,664	* 279,601	* 4,543	* 46,467	* 4,543	* 52,195
\$75,000 under \$100,000	* 1,275	* 100,183	* 92,778	* 1,275	* 18,536	* 1,275	* 23,252
\$100,000 under \$200,000	* 2,529	* 351,460	* 291,135	* 2,529	* 60,303	* 2,529	* 64,362
\$200,000 under \$500,000	749	250,391	256,559	749	66,100	749	38,278
\$500,000 under \$1,000,000	564	405,964	423,891	564	122,520	564	93,942
\$1,000,000 under \$1,500,000	254	291,311	267,407	254	88,176	254	57,262
\$1,500,000 under \$2,000,000	107	181,303	165,458	107	55,623	107	41,049
\$2,000,000 under \$5,000,000	51	162,894	155,461	51	53,323	51	36,128
\$5,000,000 under \$10,000,000	19	134,792	128,822	19	44,676	19	25,083
\$10,000,000 or more	* 3	* 53,671	* 49,088	* 3	* 17,116	* 3	* 12,058

Footnotes at end of table.

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Returns with Schedule D tax computation							
Total	20,936,388	3,291,004,790	2,190,413,003	20,936,388	645,240,720	20,936,388	576,898,737
Under \$5,000	97,268	278,525	63,242	97,268	9,920	97,268	6,362
\$5,000 under \$10,000	157,981	1,173,429	255,412	157,981	33,479	157,981	25,981
\$10,000 under \$15,000	356,068	4,523,750	991,402	356,068	126,375	356,068	100,277
\$15,000 under \$20,000	473,796	8,308,943	2,818,465	473,796	348,059	473,796	289,956
\$20,000 under \$25,000	558,401	12,616,505	4,291,706	558,401	582,390	558,401	481,972
\$25,000 under \$30,000	654,183	18,040,240	7,106,562	654,183	981,009	654,183	838,867
\$30,000 under \$40,000	1,450,106	50,953,001	24,264,597	1,450,106	3,373,755	1,450,106	2,989,328
\$40,000 under \$50,000	1,542,995	69,471,581	37,752,615	1,542,995	5,478,539	1,542,995	4,981,523
\$50,000 under \$75,000	3,827,165	238,776,606	143,789,385	3,827,165	23,533,636	3,827,165	21,753,685
\$75,000 under \$100,000	3,151,460	273,457,579	176,125,593	3,151,460	29,729,011	3,151,460	27,752,147
\$100,000 under \$200,000	5,672,903	783,623,260	542,858,507	5,672,903	109,532,567	5,672,903	104,793,647
\$200,000 under \$500,000	2,280,189	665,613,273	484,901,296	2,280,189	132,491,571	2,280,189	124,679,561
\$500,000 under \$1,000,000	451,937	308,430,371	227,032,986	451,937	80,228,774	451,937	73,322,123
\$1,000,000 under \$1,500,000	114,410	138,081,370	99,105,694	114,410	39,118,095	114,410	34,971,365
\$1,500,000 under \$2,000,000	48,813	84,037,419	59,287,300	48,813	24,658,726	48,813	21,741,025
\$2,000,000 under \$5,000,000	70,666	210,875,738	143,973,871	70,666	63,822,855	70,666	55,165,147
\$5,000,000 under \$10,000,000	17,402	118,927,039	75,323,812	17,402	36,928,071	17,402	30,660,333
\$10,000,000 or more	10,647	303,816,161	160,470,557	10,647	94,263,888	10,647	72,345,441

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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 differences due to alternative computations	Taxes from special computation		Alternative minimum tax	
		Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)
Returns with regular tax computation only					
Total	0	* 6,826	* 5,770	1,308,693	4,380,327
Under \$5,000	0	0	0	* 8	* 60
\$5,000 under \$10,000	0	0	0	* 652	* 197
\$10,000 under \$15,000	0	* 1,003	* 4,625	* 1,981	* 490
\$15,000 under \$20,000	0	0	0	* 2,901	* 1,938
\$20,000 under \$25,000	0	* 1,003	* 100	* 2,274	* 1,744
\$25,000 under \$30,000	0	* 1,003	* 110	0	0
\$30,000 under \$40,000	0	0	0	* 70	* 158
\$40,000 under \$50,000	0	0	0	* 2,334	* 4,177
\$50,000 under \$75,000	0	0	0	62,929	55,171
\$75,000 under \$100,000	0	0	0	82,967	119,273
\$100,000 under \$200,000	0	* 3,026	* 756	413,299	828,040
\$200,000 under \$500,000	0	* 790	* 178	696,215	2,933,165
\$500,000 under \$1,000,000	0	0	0	40,850	352,869
\$1,000,000 under \$1,500,000	0	0	0	1,489	34,466
\$1,500,000 under \$2,000,000	0	0	0	334	13,766
\$2,000,000 under \$5,000,000	0	0	0	343	20,115
\$5,000,000 under \$10,000,000	0	0	0	31	3,822
\$10,000,000 or more	0	0	0	13	10,876
Returns with Form 8615 tax computation [2]					
Total	-26,138	0	0	4,897	14,591
Under \$5,000	11,043	0	0	0	0
\$5,000 under \$10,000	18,849	0	0	0	0
\$10,000 under \$15,000	21,955	0	0	* 652	* 16
\$15,000 under \$20,000	14,536	0	0	* 1,271	* 661
\$20,000 under \$25,000	6,882	0	0	0	0
\$25,000 under \$30,000	11,495	0	0	* 1,315	* 2,908
\$30,000 under \$40,000	14,900	0	0	0	0
\$40,000 under \$50,000	* 3,433	0	0	* 652	* 29
\$50,000 under \$75,000	* 5,729	0	0	* 435	* 3,632
\$75,000 under \$100,000	* 4,716	0	0	* 32	* 453
\$100,000 under \$200,000	* 4,059	0	0	* 315	* 3,948
\$200,000 under \$500,000	-27,822	0	0	* 136	* 531
\$500,000 under \$1,000,000	-28,578	0	0	* 8	* 40
\$1,000,000 under \$1,500,000	-30,914	0	0	* 74	* 1,957
\$1,500,000 under \$2,000,000	-14,574	0	0	0	0
\$2,000,000 under \$5,000,000	-17,195	0	0	* 3	* 79
\$5,000,000 under \$10,000,000	-19,593	0	0	** 4	** 336
\$10,000,000 or more	* -5,059	0	0	**	**

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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 differences due to alternative computations	Taxes from special computation		Alternative minimum tax	
		Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)
Returns with Schedule D tax computation					
Total	-68,341,983	* 1,799	* 3,766	2,495,351	17,745,760
Under \$5,000	-3,558	0	0	0	0
\$5,000 under \$10,000	-7,499	0	0	0	0
\$10,000 under \$15,000	-26,099	0	0	* 652	* 521
\$15,000 under \$20,000	-58,103	0	0	0	0
\$20,000 under \$25,000	-100,418	0	0	0	0
\$25,000 under \$30,000	-142,142	0	0	* 1,977	* 2,388
\$30,000 under \$40,000	-384,427	0	0	* 1,302	* 2,251
\$40,000 under \$50,000	-497,015	0	0	* 1,247	* 5,043
\$50,000 under \$75,000	-1,779,951	* 1,621	* 2,835	4,213	6,286
\$75,000 under \$100,000	-1,976,865	* 141	* 801	21,353	39,294
\$100,000 under \$200,000	-4,738,920	* 31	* 127	426,171	1,024,947
\$200,000 under \$500,000	-7,812,010	* 6	* 3	1,711,196	10,198,618
\$500,000 under \$1,000,000	-6,906,651	0	0	264,492	3,291,593
\$1,000,000 under \$1,500,000	-4,146,731	0	0	30,849	759,211
\$1,500,000 under \$2,000,000	-2,917,701	0	0	11,069	351,040
\$2,000,000 under \$5,000,000	-8,657,708	0	0	15,187	791,661
\$5,000,000 under \$10,000,000	-6,267,738	0	0	3,465	359,912
\$10,000,000 or more	-21,918,447	0	0	2,178	912,996

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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	Income tax before credits		Total tax credits		Income tax after credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Returns with regular tax computation only						
Total	85,418,967	477,483,165	43,657,703	49,378,990	69,829,212	428,104,175
Under \$5,000	236,500	19,464	3,265	466	233,236	18,998
\$5,000 under \$10,000	2,917,315	459,542	574,586	30,444	2,349,939	429,098
\$10,000 under \$15,000	5,614,096	2,131,352	3,101,535	720,574	3,895,977	1,410,778
\$15,000 under \$20,000	7,027,612	4,819,276	4,537,422	1,579,005	4,853,375	3,240,271
\$20,000 under \$25,000	7,680,823	8,265,949	4,735,526	2,360,180	4,932,585	5,905,769
\$25,000 under \$30,000	7,365,426	11,471,359	4,251,393	3,128,157	4,743,816	8,343,202
\$30,000 under \$40,000	12,487,221	29,313,540	6,514,816	6,493,949	9,444,800	22,819,591
\$40,000 under \$50,000	9,272,315	32,844,011	4,546,402	6,018,002	7,874,381	26,826,009
\$50,000 under \$75,000	15,123,300	85,433,486	7,192,443	12,865,719	13,985,773	72,567,767
\$75,000 under \$100,000	8,456,976	74,916,865	4,425,169	8,937,796	8,303,649	65,979,069
\$100,000 under \$200,000	8,014,139	134,558,471	3,548,268	5,816,842	7,990,433	128,741,629
\$200,000 under \$500,000	1,098,597	58,583,892	192,015	677,674	1,096,829	57,906,217
\$500,000 under \$1,000,000	95,060	16,323,843	26,158	248,010	94,901	16,075,833
\$1,000,000 under \$1,500,000	15,957	5,454,934	4,628	97,423	15,929	5,357,511
\$1,500,000 under \$2,000,000	5,509	2,655,591	1,597	63,958	5,485	2,591,633
\$2,000,000 under \$5,000,000	6,674	5,600,797	1,964	101,958	6,658	5,498,839
\$5,000,000 under \$10,000,000	1,047	2,124,625	346	52,267	1,047	2,072,358
\$10,000,000 or more	400	2,506,168	168	186,565	398	2,319,603
Returns with Form 8615 tax computation [2]						
Total	384,095	811,712	114,380	21,192	374,323	790,520
Under \$5,000	181,088	52,159	40,613	1,511	172,622	50,648
\$5,000 under \$10,000	103,407	65,388	31,888	1,683	102,109	63,706
\$10,000 under \$15,000	45,353	65,251	14,700	1,066	45,353	64,185
\$15,000 under \$20,000	21,226	51,389	7,521	616	21,226	50,773
\$20,000 under \$25,000	7,965	26,603	* 4,337	* 284	7,965	26,319
\$25,000 under \$30,000	5,678	32,598	* 4,014	* 659	5,678	31,939
\$30,000 under \$40,000	5,522	36,744	* 2,256	* 1,536	5,522	35,207
\$40,000 under \$50,000	* 3,763	* 26,995	* 2,492	* 900	* 3,763	* 26,095
\$50,000 under \$75,000	* 4,543	* 55,827	* 2,613	* 289	* 4,543	* 55,539
\$75,000 under \$100,000	* 1,275	* 23,705	* 624	* 56	* 1,275	* 23,649
\$100,000 under \$200,000	* 2,529	* 68,310	* 1,912	* 251	* 2,529	* 68,059
\$200,000 under \$500,000	749	38,809	709	1,087	* 742	* 37,722
\$500,000 under \$1,000,000	564	93,982	367	2,639	564	91,343
\$1,000,000 under \$1,500,000	254	59,219	205	1,809	253	57,410
\$1,500,000 under \$2,000,000	107	41,049	* 75	* 3,419	107	37,630
\$2,000,000 under \$5,000,000	51	36,207	* 38	* 377	51	35,830
\$5,000,000 under \$10,000,000	19	25,356	13	484	19	24,872
\$10,000,000 or more	* 3	* 12,120	* 3	* 2,526	* 3	* 9,594

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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	Income tax before credits		Total tax credits		Income tax after credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Returns with Schedule D tax computation						
Total	20,936,388	594,648,263	11,158,504	18,234,713	20,068,594	576,413,550
Under \$5,000	97,268	6,362	16,129	337	92,920	6,025
\$5,000 under \$10,000	157,981	25,981	29,459	744	152,046	25,237
\$10,000 under \$15,000	356,068	100,798	149,749	23,266	284,683	77,531
\$15,000 under \$20,000	473,796	289,956	255,517	76,239	406,872	213,716
\$20,000 under \$25,000	558,401	481,972	264,374	87,972	482,634	394,000
\$25,000 under \$30,000	654,183	841,255	306,738	117,913	571,926	723,343
\$30,000 under \$40,000	1,450,106	2,991,578	690,737	353,420	1,290,383	2,638,158
\$40,000 under \$50,000	1,542,995	4,986,566	764,177	515,470	1,415,331	4,471,096
\$50,000 under \$75,000	3,827,165	21,762,806	1,937,815	1,881,768	3,641,548	19,881,038
\$75,000 under \$100,000	3,151,460	27,792,242	1,799,855	2,145,244	3,095,815	25,646,998
\$100,000 under \$200,000	5,672,903	105,818,721	3,260,948	3,576,293	5,644,225	102,242,428
\$200,000 under \$500,000	2,280,189	134,878,182	1,201,072	1,856,619	2,277,427	133,021,563
\$500,000 under \$1,000,000	451,937	76,613,716	291,480	1,206,016	451,244	75,407,700
\$1,000,000 under \$1,500,000	114,410	35,730,575	79,709	718,617	114,270	35,011,959
\$1,500,000 under \$2,000,000	48,813	22,092,065	35,258	418,163	48,745	21,673,902
\$2,000,000 under \$5,000,000	70,666	55,956,808	52,828	1,461,677	70,548	54,495,130
\$5,000,000 under \$10,000,000	17,402	31,020,245	13,751	863,282	17,359	30,156,963
\$10,000,000 or more	10,647	73,258,436	8,909	2,931,672	10,619	70,326,764

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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	Total income tax				
	Number of returns	Amount	As a percentage of		Average income tax (dollars)
			Modified taxable income	Adjusted gross income	
	(19)	(20)	(21)	(22)	(23)
Returns with regular tax computation only					
Total	69,829,212	428,104,175	14.8	9.4	5,012
Under \$5,000	233,236	18,998	9.8	3.4	80
\$5,000 under \$10,000	2,349,939	429,098	9.4	1.8	147
\$10,000 under \$15,000	3,895,977	1,410,778	6.7	2.0	251
\$15,000 under \$20,000	4,853,375	3,240,271	7.1	2.6	461
\$20,000 under \$25,000	4,932,585	5,905,769	8.2	3.4	769
\$25,000 under \$30,000	4,743,816	8,343,202	8.7	4.1	1,133
\$30,000 under \$40,000	9,444,800	22,819,591	9.7	5.3	1,827
\$40,000 under \$50,000	7,874,381	26,826,009	10.9	6.5	2,893
\$50,000 under \$75,000	13,985,773	72,567,767	12.3	7.8	4,798
\$75,000 under \$100,000	8,303,649	65,979,069	13.4	9.0	7,802
\$100,000 under \$200,000	7,990,433	128,741,629	17.3	12.4	16,064
\$200,000 under \$500,000	1,096,829	57,906,217	24.8	19.4	52,709
\$500,000 under \$1,000,000	94,901	16,075,833	30.3	25.6	169,112
\$1,000,000 under \$1,500,000	15,929	5,357,511	32.1	27.9	335,747
\$1,500,000 under \$2,000,000	5,485	2,591,633	32.5	27.5	470,436
\$2,000,000 under \$5,000,000	6,658	5,498,839	33.4	28.8	823,920
\$5,000,000 under \$10,000,000	1,047	2,072,358	33.8	29.3	1,979,330
\$10,000,000 or more	398	2,319,603	32.4	28.5	5,799,008
Returns with Form 8615 tax computation [2]					
Total	374,323	790,520	18.1	15.4	2,058
Under \$5,000	172,622	50,648	11.6	8.3	280
\$5,000 under \$10,000	102,109	63,706	12.8	8.8	616
\$10,000 under \$15,000	45,353	64,185	15.6	11.8	1,415
\$15,000 under \$20,000	21,226	50,773	15.9	14.0	2,392
\$20,000 under \$25,000	7,965	26,319	17.2	15.1	3,304
\$25,000 under \$30,000	5,678	31,939	23.5	19.9	5,625
\$30,000 under \$40,000	5,522	35,207	22.4	18.7	6,376
\$40,000 under \$50,000	* 3,763	* 26,095	* 17.7	* 15.4	* 6,935
\$50,000 under \$75,000	* 4,543	* 55,539	* 19.9	* 20.4	* 12,225
\$75,000 under \$100,000	* 1,275	* 23,649	* 25.5	* 23.6	* 18,548
\$100,000 under \$200,000	* 2,529	* 68,059	* 23.4	* 19.4	* 26,911
\$200,000 under \$500,000	* 742	* 37,722	14.7	15.1	50,363
\$500,000 under \$1,000,000	564	91,343	21.5	22.5	161,956
\$1,000,000 under \$1,500,000	253	57,410	21.5	19.7	226,024
\$1,500,000 under \$2,000,000	107	37,630	22.7	20.8	351,682
\$2,000,000 under \$5,000,000	51	35,830	23.0	22.0	702,549
\$5,000,000 under \$10,000,000	19	24,872	19.3	18.5	1,309,053
\$10,000,000 or more	* 3	* 9,594	* 19.5	* 17.9	* 3,198,000

Footnotes at end of table.

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—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	Total income tax				
	Number of returns	Amount	As a percentage of		Average income tax (dollars)
			Modified taxable income	Adjusted gross income	
	(19)	(20)	(21)	(22)	(23)
Returns with Schedule D tax computation					
Total	20,068,595	576,413,756	26.3	17.5	27,532
Under \$5,000	92,920	6,025	9.5	2.2	62
\$5,000 under \$10,000	152,046	25,237	9.9	2.2	160
\$10,000 under \$15,000	284,683	77,531	7.8	1.7	218
\$15,000 under \$20,000	406,872	213,716	7.6	2.6	451
\$20,000 under \$25,000	482,634	394,000	9.2	3.1	706
\$25,000 under \$30,000	571,926	723,343	10.2	4.0	1,106
\$30,000 under \$40,000	1,290,383	2,638,158	10.9	5.2	1,819
\$40,000 under \$50,000	1,415,331	4,471,096	11.8	6.4	2,898
\$50,000 under \$75,000	3,641,548	19,881,038	13.8	8.3	5,195
\$75,000 under \$100,000	3,095,815	25,646,998	14.6	9.4	8,138
\$100,000 under \$200,000	5,644,225	102,242,428	18.8	13.0	18,023
\$200,000 under \$500,000	2,277,428	133,021,563	27.4	20.0	58,338
\$500,000 under \$1,000,000	451,244	75,407,765	33.2	24.4	166,855
\$1,000,000 under \$1,500,000	114,270	35,011,959	35.3	25.4	306,022
\$1,500,000 under \$2,000,000	48,745	21,673,902	36.6	25.8	444,019
\$2,000,000 under \$5,000,000	70,548	54,495,271	37.9	25.8	771,167
\$5,000,000 under \$10,000,000	17,359	30,156,963	40.0	25.4	1,732,960
\$10,000,000 or more	10,619	70,326,764	43.8	23.1	6,605,313

* 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] See section 4 for the definition of modified taxable income.

[2] See table 3.1A for more details on returns with Form 8615 tax computation.

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

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Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008

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

Size of adjusted gross income	Number of returns	Income tax before credits, regular tax computation	Tax generated with Schedule D computation [1]	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)
Total	384,095	823,259	563,346	-259,913	797,121	233,775
Under \$5,000	181,088	41,116	35,172	-5,944	52,159	16,987
\$5,000 under \$10,000	103,407	46,539	34,273	-12,266	65,388	31,115
\$10,000 under \$15,000	45,353	43,279	32,922	-10,357	65,234	32,312
\$15,000 under \$20,000	21,226	36,192	27,527	-8,665	50,728	23,201
\$20,000 under \$25,000	7,965	19,721	13,592	-6,129	26,603	13,011
\$25,000 under \$30,000	5,678	18,195	14,587	-3,608	29,690	15,103
\$30,000 under \$40,000	5,522	21,844	14,938	-6,906	36,744	21,806
\$40,000 under \$50,000	* 3,763	* 23,534	* 14,785	* -8,749	* 26,966	* 12,181
\$50,000 under \$75,000	* 4,543	* 46,467	* 30,219	* -16,248	* 52,195	* 21,976
\$75,000 under \$100,000	* 1,275	* 18,536	* 16,165	* -2,371	* 23,252	* 7,087
\$100,000 under \$200,000	* 2,529	* 60,303	* 45,300	* -15,003	* 64,362	* 19,062
\$200,000 under \$500,000	749	66,100	34,227	-31,873	38,278	4,051
\$500,000 under \$1,000,000	564	122,520	85,118	-37,402	93,942	8,824
\$1,000,000 under \$1,500,000	254	88,176	54,235	-33,941	57,262	3,027
\$1,500,000 under \$2,000,000	107	55,623	38,896	-16,727	41,049	2,153
\$2,000,000 under \$5,000,000	51	53,323	34,684	-18,639	36,128	1,444
\$5,000,000 under \$10,000,000	19	44,676	24,766	-19,910	25,083	317
\$10,000,000 or more	* 3	* 17,116	* 11,940	* -5,176	* 12,058	* 118

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

[1] For returns that did not have Schedule D worksheet, the regular tax computation was used to calculate tax generated. For 2008, 207,126 returns had no worksheet.

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

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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 1986–2008

[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)	(2)	(3)	(4)	(5)	(6)
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
2008	139,960,580	139,961	1,399,606	6,998,029	13,996,058	34,990,145	69,980,290
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	56,085	28,528
2002	N/A	1,191,673	285,424	126,525	92,663	56,401	28,654
2003	N/A	1,262,760	295,495	130,080	94,891	57,343	29,019
2004	N/A	1,548,941	328,049	137,056	99,112	60,041	30,122
2005	N/A	1,848,791	364,657	145,283	103,912	62,068	30,881
2006	N/A	2,044,689	388,806	153,542	108,904	64,702	31,987
2007	N/A	2,155,365	410,096	160,041	113,018	66,532	32,879
2008	N/A	1,803,585	380,354	159,619	113,799	67,280	33,048

Footnotes at end of table.

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[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)	(2)	(3)	(4)	(5)	(6)
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
2008	N/A	837,708	176,662	74,138	52,856	31,249	15,350
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
2008	8,426,625	839,371	1,685,472	2,926,701	3,856,462	5,678,179	7,352,111

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[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)	(2)	(3)	(4)	(5)	(6)
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	1,115,504	225,239	450,926	676,293	794,432	965,875	1,083,243
2008	1,031,512	190,498	392,149	605,718	721,421	890,614	1,003,639
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
2008	12.24	22.70	23.27	20.70	18.71	15.68	13.65

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[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)	(2)	(3)	(4)	(5)	(6)
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
2008	100.00	9.96	20.00	34.73	45.77	67.38	87.25
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
2008	100.00	18.47	38.02	58.72	69.94	86.34	97.30

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 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 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 1, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2008 the CPI-U = 215.3.

[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.

[6] Not Calculated.

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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 1986–2008

[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
2008	139,960,580	69,980,290	104,970,435	125,964,522	132,962,551	138,560,974
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
2008	8,426,625	1,074,514	2,748,447	4,570,164	5,499,924	6,741,153

Footnotes at end of table.

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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	1,115,504	32,261	149,630	321,073	439,212	664,579
2008	1,031,512	27,873	140,898	310,091	425,793	639,363
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
2008	12.24	2.59	5.13	6.79	7.74	9.48

Footnotes at end of table.

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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
2008	100.00	12.75	32.62	54.23	65.27	80.00
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
2008	100.00	2.70	13.66	30.06	41.28	61.98

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 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 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 4) by (positive) adjusted gross income.

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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 1986–2008

[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
2008	140,118,702	1,401,187	7,005,935	14,011,870	35,029,676	70,059,351
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
2008	N/A	429,502	166,540	116,010	65,824	32,545

Footnotes at end of table.

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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
2008	N/A	199,490	77,353	53,883	30,573	15,116
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
2008	8,657,921	1,802,841	3,157,272	4,117,545	5,937,731	7,574,417

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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
2008	1,031,252	378,608	594,941	713,703	885,883	1,002,156
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
2008	11.91	21.00	18.84	17.33	14.92	13.23

Footnotes at end of table.

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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
2008	100.00	20.82	36.47	47.56	68.58	87.49
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
2008	100.00	36.71	57.69	69.21	85.90	97.18

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[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
2008	140,118,702	70,059,351	105,089,027	126,106,832	133,112,767	138,717,515
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
2008	8,657,921	1,083,504	2,720,190	4,540,376	5,500,649	6,855,080

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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 1986–2008—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
	(1)	(2)	(3)	(4)	(5)	(6)
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
2008	1,031,252	29,093	145,369	317,549	436,311	652,645
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
2008	11.91	2.69	5.34	6.99	7.93	9.52

Footnotes at end of table.

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[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)
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
2008	100.00	12.51	31.42	52.44	63.53	79.18
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
2008	100.00	2.82	14.10	30.79	42.31	63.29

[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 2008, there were 3,495 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.