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JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW IRS DATA ON INCOME TAX SHARES NOW AVAILABLE

— Tax Share of Top One Percent Climbs to 37.4 Percent —

WASHINGTON, D.C. – New Internal Revenue Service (IRS) data show that the top one percent of tax filers paid 37.42 percent of federal personal income taxes in 2000, the latest year for which data are available, Chairman Jim Saxton said today. The 2000 share paid by the top one percent (ranked by adjusted gross income) reflects an increase from the 36.18 percent level posted in 1999. The 3.91 percent share paid by the bottom half of taxpayers was virtually unchanged during this period, as was the 96.09 percent share borne by the top half. The new data provide the necessary context in which to evaluate claims about the supposed distributional impact of various tax policy proposals.

“These IRS data reflect the steeply progressive impact of the federal income tax,” Saxton said. “These data must be considered before any valid distributional evaluation of various income tax proposals can be made. Unfortunately, statistics portraying tax policy changes as skewed often are released without disclosing the share of taxes actually paid by various income groups. In other words, data on the share of taxes paid before and after a tax change would take effect are often undisclosed, leading to incomplete and often misleading results. The bottom line is that these data are needed for an informed discussion of a wide array of tax policy issues. The tax shares already paid by various income groups largely determine the distributional outcomes of most major tax proposals, not the tax rate structure of the legislation itself,” Saxton concluded.

Percentiles Ranked By AGI	Adjusted Gross Income Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1 %	\$313,469	37.42
Top 5 %	\$128,336	56.47
Top 10 %	\$92,144	67.33
Top 25 %	\$55,225	84.01
Top 50 %	\$27,682	96.09
Bottom 50 %	< \$27,682	3.91

Source: IRS

For more information on the new IRS data, distributional analysis, and tax policy, please visit our website at www.house.gov/jec.

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