

Effective Federal Tax Rates for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|---|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Total Effective Federal Tax Rate | | | | | | | | | |
| 1979 | 8.0 | 14.3 | 18.6 | 21.2 | 27.5 | 22.2 | 29.6 | 31.8 | 37.0 |
| 1980 | 7.7 | 14.1 | 18.7 | 21.5 | 27.3 | 22.2 | 29.0 | 30.8 | 34.6 |
| 1981 | 8.3 | 14.7 | 19.2 | 22.1 | 26.9 | 22.4 | 28.2 | 29.4 | 31.8 |
| 1982 | 8.2 | 13.8 | 17.9 | 20.6 | 24.4 | 20.7 | 25.3 | 26.0 | 27.7 |
| 1983 | 9.1 | 13.7 | 17.5 | 20.1 | 23.9 | 20.4 | 24.8 | 25.6 | 27.7 |
| 1984 | 10.2 | 14.6 | 18.0 | 20.4 | 24.3 | 21.0 | 25.2 | 26.1 | 28.2 |
| 1985 | 9.8 | 14.8 | 18.1 | 20.4 | 24.0 | 20.9 | 24.7 | 25.4 | 27.0 |
| 1986 | 9.6 | 14.8 | 18.0 | 20.5 | 23.8 | 20.9 | 24.3 | 24.6 | 25.5 |
| 1987 | 8.7 | 14.0 | 17.6 | 20.2 | 25.8 | 21.6 | 27.2 | 28.5 | 31.2 |
| 1988 | 8.5 | 14.3 | 17.9 | 20.6 | 25.6 | 21.8 | 26.7 | 27.8 | 29.7 |
| 1989 | 7.9 | 13.9 | 17.9 | 20.5 | 25.2 | 21.5 | 26.3 | 27.2 | 28.9 |
| 1990 | 8.9 | 14.6 | 17.9 | 20.6 | 25.1 | 21.5 | 26.1 | 27.0 | 28.8 |
| 1991 | 8.4 | 14.2 | 17.6 | 20.5 | 25.3 | 21.5 | 26.6 | 27.6 | 29.9 |
| 1992 | 8.2 | 13.7 | 17.4 | 20.2 | 25.6 | 21.5 | 26.9 | 28.1 | 30.6 |
| 1993 | 8.0 | 13.5 | 17.3 | 20.2 | 26.8 | 22.0 | 28.6 | 30.5 | 34.5 |
| 1994 | 6.6 | 13.1 | 17.3 | 20.4 | 27.4 | 22.3 | 29.4 | 31.3 | 35.8 |
| 1995 | 6.3 | 13.4 | 17.3 | 20.5 | 27.8 | 22.6 | 29.8 | 31.8 | 36.1 |
| 1996 | 5.6 | 13.2 | 17.3 | 20.3 | 28.0 | 22.7 | 30.1 | 32.0 | 36.0 |
| 1997 | 5.8 | 13.6 | 17.4 | 20.5 | 28.0 | 22.9 | 29.9 | 31.6 | 34.9 |
| 1998 | 5.8 | 13.0 | 16.8 | 20.4 | 27.6 | 22.6 | 29.3 | 30.8 | 33.4 |
| 1999 | 6.1 | 13.3 | 16.9 | 20.5 | 28.0 | 22.9 | 29.7 | 31.2 | 33.5 |
| 2000 | 6.4 | 13.0 | 16.6 | 20.5 | 28.0 | 23.0 | 29.6 | 31.0 | 33.0 |
| 2001 | 5.1 | 11.5 | 15.3 | 18.9 | 26.7 | 21.4 | 28.5 | 30.0 | 32.8 |
| 2002 | 4.7 | 10.8 | 14.8 | 18.3 | 26.0 | 20.7 | 27.9 | 29.5 | 32.8 |
| 2003 | 4.6 | 9.8 | 13.8 | 17.4 | 25.0 | 19.8 | 26.8 | 28.5 | 31.7 |
| 2004 | 4.3 | 9.9 | 14.1 | 17.3 | 25.2 | 20.1 | 27.1 | 28.7 | 31.4 |
| 2005 | 4.3 | 10.1 | 14.2 | 17.5 | 25.8 | 20.6 | 27.6 | 29.2 | 31.6 |
| 2006 | 4.3 | 10.2 | 14.2 | 17.6 | 25.8 | 20.7 | 27.5 | 29.0 | 31.2 |

| Effective Individual Income Tax Rate | | | | | | | | | |
|---|------|------|-----|------|------|------|------|------|------|
| 1979 | 0.0 | 4.1 | 7.5 | 10.1 | 15.7 | 11.0 | 17.4 | 19.0 | 21.8 |
| 1980 | 0.2 | 4.5 | 8.0 | 10.7 | 16.5 | 11.7 | 18.2 | 19.7 | 22.3 |
| 1981 | 0.5 | 4.8 | 8.3 | 11.1 | 16.7 | 12.0 | 18.2 | 19.6 | 21.5 |
| 1982 | 0.4 | 4.2 | 7.4 | 10.0 | 15.3 | 11.0 | 16.9 | 18.3 | 20.4 |
| 1983 | 0.4 | 3.8 | 6.7 | 9.1 | 14.2 | 10.2 | 15.6 | 16.9 | 19.4 |
| 1984 | 0.7 | 4.0 | 6.7 | 8.9 | 14.1 | 10.2 | 15.6 | 17.0 | 19.3 |
| 1985 | 0.5 | 4.0 | 6.6 | 8.8 | 14.0 | 10.2 | 15.4 | 16.7 | 18.9 |
| 1986 | 0.4 | 4.0 | 6.5 | 8.8 | 14.2 | 10.4 | 15.5 | 16.6 | 18.3 |
| 1987 | -0.6 | 3.2 | 5.8 | 8.1 | 14.9 | 10.3 | 16.8 | 18.5 | 21.5 |
| 1988 | -1.1 | 3.1 | 5.9 | 8.3 | 14.9 | 10.4 | 16.6 | 18.2 | 20.7 |
| 1989 | -1.6 | 2.9 | 6.0 | 8.3 | 14.6 | 10.2 | 16.3 | 17.7 | 19.9 |
| 1990 | -1.0 | 3.4 | 6.0 | 8.3 | 14.4 | 10.1 | 16.0 | 17.5 | 19.9 |
| 1991 | -1.6 | 2.9 | 5.8 | 8.1 | 14.3 | 9.9 | 16.0 | 17.6 | 20.6 |
| 1992 | -2.1 | 2.5 | 5.5 | 7.9 | 14.5 | 9.9 | 16.3 | 18.0 | 21.2 |
| 1993 | -2.3 | 2.3 | 5.4 | 7.8 | 14.9 | 10.0 | 17.0 | 19.1 | 23.2 |
| 1994 | -3.9 | 1.9 | 5.3 | 7.8 | 15.0 | 10.0 | 17.1 | 19.2 | 23.0 |
| 1995 | -4.4 | 2.0 | 5.3 | 7.8 | 15.5 | 10.2 | 17.7 | 19.8 | 23.7 |
| 1996 | -5.1 | 1.8 | 5.4 | 7.9 | 16.1 | 10.7 | 18.3 | 20.5 | 24.2 |
| 1997 | -5.2 | 2.1 | 5.6 | 8.0 | 16.4 | 11.0 | 18.5 | 20.6 | 23.8 |
| 1998 | -5.4 | 1.5 | 5.0 | 7.9 | 16.5 | 11.0 | 18.7 | 20.6 | 23.4 |
| 1999 | -5.2 | 1.7 | 5.0 | 8.0 | 17.1 | 11.4 | 19.3 | 21.3 | 24.0 |
| 2000 | -4.6 | 1.5 | 5.0 | 8.1 | 17.5 | 11.8 | 19.7 | 21.6 | 24.2 |
| 2001 | -5.6 | 0.3 | 3.9 | 7.1 | 16.3 | 10.3 | 18.7 | 20.8 | 24.1 |
| 2002 | -6.0 | -0.2 | 3.6 | 6.7 | 15.5 | 9.7 | 17.9 | 20.0 | 23.7 |
| 2003 | -6.0 | -1.1 | 2.8 | 5.9 | 13.7 | 8.4 | 15.8 | 17.7 | 20.4 |
| 2004 | -6.2 | -0.9 | 3.0 | 5.9 | 13.9 | 8.7 | 15.9 | 17.6 | 19.7 |
| 2005 | -6.6 | -0.9 | 3.0 | 5.9 | 14.1 | 9.0 | 15.9 | 17.6 | 19.3 |
| 2006 | -6.6 | -0.8 | 3.0 | 6.0 | 14.1 | 9.1 | 16.0 | 17.5 | 19.0 |

Effective Federal Tax Rates for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Effective Social Insurance Tax Rate | | | | | | | | | |
| 1979 | 5.3 | 7.7 | 8.6 | 8.5 | 5.4 | 6.9 | 4.2 | 2.8 | 0.9 |
| 1980 | 5.3 | 7.6 | 8.5 | 8.5 | 5.5 | 6.9 | 4.3 | 3.0 | 1.0 |
| 1981 | 5.9 | 8.1 | 9.1 | 9.1 | 6.1 | 7.5 | 4.8 | 3.4 | 1.3 |
| 1982 | 5.9 | 8.0 | 8.9 | 9.1 | 6.3 | 7.5 | 5.1 | 3.7 | 1.6 |
| 1983 | 6.1 | 7.9 | 8.9 | 9.1 | 6.3 | 7.5 | 5.1 | 3.7 | 1.5 |
| 1984 | 6.5 | 8.4 | 9.2 | 9.3 | 6.4 | 7.8 | 5.1 | 3.7 | 1.4 |
| 1985 | 6.6 | 8.8 | 9.5 | 9.6 | 6.5 | 7.9 | 5.1 | 3.7 | 1.3 |
| 1986 | 6.7 | 8.8 | 9.5 | 9.7 | 6.1 | 7.7 | 4.6 | 3.2 | 1.0 |
| 1987 | 6.4 | 8.6 | 9.4 | 9.8 | 6.7 | 8.0 | 5.3 | 3.8 | 1.5 |
| 1988 | 6.9 | 9.0 | 9.7 | 10.2 | 6.6 | 8.1 | 5.1 | 3.6 | 1.3 |
| 1989 | 7.1 | 8.9 | 9.8 | 10.0 | 6.6 | 8.1 | 5.1 | 3.7 | 1.4 |
| 1990 | 7.3 | 9.3 | 9.9 | 10.3 | 6.9 | 8.4 | 5.4 | 4.0 | 1.5 |
| 1991 | 7.2 | 9.2 | 9.6 | 10.3 | 7.4 | 8.6 | 6.1 | 4.7 | 2.2 |
| 1992 | 7.3 | 8.9 | 9.7 | 10.2 | 7.2 | 8.4 | 5.8 | 4.4 | 1.9 |
| 1993 | 7.2 | 8.8 | 9.6 | 10.2 | 7.3 | 8.5 | 6.0 | 4.7 | 2.1 |
| 1994 | 7.2 | 8.9 | 9.5 | 10.2 | 7.5 | 8.6 | 6.3 | 4.9 | 2.6 |
| 1995 | 7.6 | 9.1 | 9.6 | 10.3 | 7.2 | 8.5 | 6.0 | 4.6 | 2.3 |
| 1996 | 7.8 | 9.2 | 9.6 | 10.2 | 6.9 | 8.3 | 5.6 | 4.3 | 2.2 |
| 1997 | 8.1 | 9.4 | 9.6 | 10.3 | 6.6 | 8.2 | 5.4 | 4.0 | 2.0 |
| 1998 | 8.4 | 9.4 | 9.6 | 10.4 | 6.5 | 8.1 | 5.2 | 3.9 | 1.9 |
| 1999 | 8.4 | 9.5 | 9.6 | 10.4 | 6.4 | 8.0 | 5.1 | 3.8 | 1.9 |
| 2000 | 8.2 | 9.4 | 9.6 | 10.4 | 6.3 | 7.9 | 5.0 | 3.8 | 1.9 |
| 2001 | 8.3 | 9.4 | 9.7 | 10.2 | 7.1 | 8.4 | 5.8 | 4.5 | 2.3 |
| 2002 | 8.2 | 9.3 | 9.6 | 10.1 | 7.3 | 8.5 | 6.2 | 4.8 | 2.5 |
| 2003 | 8.1 | 9.1 | 9.4 | 9.9 | 7.1 | 8.3 | 6.0 | 4.6 | 2.3 |
| 2004 | 8.0 | 9.1 | 9.5 | 9.7 | 6.6 | 8.0 | 5.4 | 4.1 | 1.9 |
| 2005 | 8.3 | 9.2 | 9.4 | 9.7 | 6.0 | 7.6 | 4.8 | 3.5 | 1.7 |
| 2006 | 8.5 | 9.2 | 9.4 | 9.6 | 5.8 | 7.5 | 4.6 | 3.4 | 1.6 |

| Effective Corporate Income Tax Rate | | | | | | | | | |
|--|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 1979 | 1.1 | 1.2 | 1.4 | 1.6 | 5.7 | 3.4 | 7.4 | 9.5 | 13.8 |
| 1980 | 0.9 | 1.0 | 1.2 | 1.4 | 4.6 | 2.8 | 5.9 | 7.4 | 10.8 |
| 1981 | 0.7 | 0.8 | 1.0 | 1.2 | 3.6 | 2.2 | 4.6 | 5.9 | 8.7 |
| 1982 | 0.5 | 0.5 | 0.7 | 0.7 | 2.1 | 1.4 | 2.8 | 3.5 | 5.4 |
| 1983 | 0.6 | 0.7 | 0.9 | 1.0 | 2.8 | 1.8 | 3.5 | 4.4 | 6.4 |
| 1984 | 0.8 | 0.7 | 1.0 | 1.2 | 3.1 | 2.0 | 3.9 | 4.9 | 7.1 |
| 1985 | 0.6 | 0.7 | 0.9 | 1.0 | 2.8 | 1.8 | 3.6 | 4.5 | 6.4 |
| 1986 | 0.6 | 0.7 | 0.9 | 1.0 | 2.8 | 1.9 | 3.5 | 4.3 | 5.8 |
| 1987 | 0.7 | 0.9 | 1.2 | 1.4 | 3.6 | 2.4 | 4.6 | 5.7 | 7.8 |
| 1988 | 0.7 | 0.8 | 1.2 | 1.3 | 3.6 | 2.4 | 4.5 | 5.5 | 7.3 |
| 1989 | 0.6 | 0.8 | 1.1 | 1.2 | 3.5 | 2.3 | 4.4 | 5.3 | 7.2 |
| 1990 | 0.6 | 0.7 | 1.0 | 1.2 | 3.3 | 2.2 | 4.2 | 5.1 | 7.1 |
| 1991 | 0.6 | 0.7 | 1.0 | 1.1 | 3.0 | 2.0 | 3.8 | 4.8 | 6.8 |
| 1992 | 0.6 | 0.7 | 1.0 | 1.1 | 3.3 | 2.2 | 4.2 | 5.2 | 7.2 |
| 1993 | 0.6 | 0.8 | 1.0 | 1.2 | 3.9 | 2.5 | 5.0 | 6.2 | 8.8 |
| 1994 | 0.6 | 0.7 | 1.1 | 1.2 | 4.2 | 2.6 | 5.4 | 6.7 | 9.7 |
| 1995 | 0.7 | 0.8 | 1.1 | 1.3 | 4.4 | 2.8 | 5.6 | 6.9 | 9.7 |
| 1996 | 0.6 | 0.7 | 1.1 | 1.3 | 4.5 | 2.9 | 5.6 | 6.8 | 9.3 |
| 1997 | 0.5 | 0.7 | 1.1 | 1.3 | 4.4 | 2.9 | 5.5 | 6.6 | 8.7 |
| 1998 | 0.5 | 0.6 | 1.0 | 1.1 | 4.0 | 2.6 | 4.9 | 5.9 | 7.8 |
| 1999 | 0.5 | 0.6 | 1.0 | 1.1 | 3.9 | 2.5 | 4.7 | 5.6 | 7.3 |
| 2000 | 0.5 | 0.6 | 0.9 | 1.0 | 3.7 | 2.4 | 4.4 | 5.2 | 6.7 |
| 2001 | 0.3 | 0.4 | 0.6 | 0.7 | 2.8 | 1.7 | 3.5 | 4.3 | 6.2 |
| 2002 | 0.2 | 0.3 | 0.5 | 0.6 | 2.6 | 1.6 | 3.4 | 4.3 | 6.4 |
| 2003 | 0.3 | 0.4 | 0.6 | 0.7 | 3.6 | 2.2 | 4.6 | 5.9 | 8.7 |
| 2004 | 0.4 | 0.4 | 0.6 | 0.8 | 4.2 | 2.6 | 5.5 | 6.7 | 9.5 |
| 2005 | 0.5 | 0.5 | 0.8 | 1.1 | 5.2 | 3.3 | 6.5 | 7.8 | 10.4 |
| 2006 | 0.5 | 0.6 | 0.8 | 1.2 | 5.4 | 3.4 | 6.6 | 7.9 | 10.4 |

Effective Federal Tax Rates for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Effective Excise Tax Rate | | | | | | | | | |
| 1979 | 1.6 | 1.3 | 1.1 | 0.9 | 0.7 | 1.0 | 0.7 | 0.6 | 0.5 |
| 1980 | 1.4 | 1.1 | 0.9 | 0.8 | 0.6 | 0.8 | 0.6 | 0.5 | 0.4 |
| 1981 | 1.3 | 1.0 | 0.9 | 0.7 | 0.6 | 0.8 | 0.5 | 0.5 | 0.4 |
| 1982 | 1.4 | 1.1 | 0.9 | 0.8 | 0.6 | 0.8 | 0.5 | 0.5 | 0.4 |
| 1983 | 2.0 | 1.3 | 1.1 | 0.9 | 0.7 | 0.9 | 0.6 | 0.5 | 0.4 |
| 1984 | 2.3 | 1.4 | 1.1 | 1.0 | 0.7 | 1.0 | 0.6 | 0.5 | 0.4 |
| 1985 | 2.2 | 1.4 | 1.1 | 0.9 | 0.7 | 0.9 | 0.6 | 0.5 | 0.4 |
| 1986 | 2.0 | 1.3 | 1.1 | 0.9 | 0.6 | 0.9 | 0.6 | 0.5 | 0.4 |
| 1987 | 2.1 | 1.4 | 1.1 | 0.9 | 0.7 | 0.9 | 0.6 | 0.5 | 0.4 |
| 1988 | 2.0 | 1.4 | 1.1 | 0.9 | 0.6 | 0.9 | 0.5 | 0.5 | 0.4 |
| 1989 | 1.8 | 1.2 | 1.0 | 0.9 | 0.6 | 0.8 | 0.5 | 0.4 | 0.3 |
| 1990 | 2.0 | 1.3 | 1.0 | 0.9 | 0.6 | 0.9 | 0.5 | 0.4 | 0.3 |
| 1991 | 2.2 | 1.4 | 1.2 | 1.0 | 0.7 | 1.0 | 0.6 | 0.5 | 0.4 |
| 1992 | 2.3 | 1.5 | 1.2 | 1.0 | 0.7 | 1.0 | 0.6 | 0.5 | 0.3 |
| 1993 | 2.5 | 1.6 | 1.2 | 1.0 | 0.7 | 1.0 | 0.6 | 0.5 | 0.4 |
| 1994 | 2.6 | 1.7 | 1.3 | 1.1 | 0.7 | 1.1 | 0.6 | 0.5 | 0.4 |
| 1995 | 2.4 | 1.6 | 1.3 | 1.1 | 0.7 | 1.0 | 0.6 | 0.5 | 0.3 |
| 1996 | 2.3 | 1.5 | 1.2 | 1.0 | 0.6 | 0.9 | 0.5 | 0.4 | 0.3 |
| 1997 | 2.3 | 1.5 | 1.1 | 0.9 | 0.6 | 0.9 | 0.5 | 0.4 | 0.3 |
| 1998 | 2.2 | 1.4 | 1.1 | 0.9 | 0.6 | 0.9 | 0.5 | 0.4 | 0.3 |
| 1999 | 2.4 | 1.6 | 1.2 | 1.0 | 0.6 | 0.9 | 0.5 | 0.4 | 0.3 |
| 2000 | 2.3 | 1.4 | 1.1 | 0.9 | 0.5 | 0.9 | 0.4 | 0.4 | 0.2 |
| 2001 | 2.2 | 1.4 | 1.1 | 0.9 | 0.5 | 0.8 | 0.5 | 0.4 | 0.2 |
| 2002 | 2.2 | 1.4 | 1.1 | 0.9 | 0.5 | 0.9 | 0.5 | 0.4 | 0.3 |
| 2003 | 2.3 | 1.4 | 1.1 | 0.9 | 0.5 | 0.8 | 0.4 | 0.4 | 0.3 |
| 2004 | 2.2 | 1.3 | 1.1 | 0.9 | 0.5 | 0.8 | 0.4 | 0.3 | 0.2 |
| 2005 | 2.1 | 1.3 | 1.0 | 0.8 | 0.5 | 0.8 | 0.4 | 0.3 | 0.2 |
| 2006 | 1.9 | 1.2 | 0.9 | 0.8 | 0.4 | 0.7 | 0.4 | 0.3 | 0.2 |

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. (A household consists of the people who share a housing unit, regardless of their relationships.) Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other income) are excluded from the lowest income category but are included in totals.

Individual income taxes are attributed directly to households paying those taxes. Social insurance, or payroll, taxes are attributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are attributed to households according to their share of capital income. Federal excise taxes are attributed to them according to their consumption of the taxed good or service.

Shares of Federal Tax Liabilities for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|---|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Share of Total Federal Tax Liabilities | | | | | | | | | |
| 1979 | 2.1 | 7.2 | 13.2 | 21.0 | 56.4 | 100.0 | 40.7 | 29.6 | 15.4 |
| 1980 | 2.0 | 7.0 | 13.3 | 21.3 | 56.3 | 100.0 | 40.0 | 28.7 | 14.2 |
| 1981 | 2.0 | 7.1 | 13.6 | 21.9 | 55.2 | 100.0 | 38.6 | 27.2 | 12.9 |
| 1982 | 2.1 | 7.1 | 13.6 | 22.1 | 55.0 | 100.0 | 38.0 | 26.5 | 12.8 |
| 1983 | 2.2 | 6.9 | 13.3 | 21.8 | 55.7 | 100.0 | 39.0 | 27.7 | 14.0 |
| 1984 | 2.4 | 7.2 | 13.2 | 21.4 | 55.6 | 100.0 | 39.3 | 28.2 | 14.7 |
| 1985 | 2.3 | 7.2 | 13.2 | 21.3 | 55.8 | 100.0 | 39.5 | 28.4 | 14.8 |
| 1986 | 2.1 | 6.8 | 12.7 | 20.8 | 57.5 | 100.0 | 41.6 | 30.7 | 17.1 |
| 1987 | 1.8 | 6.5 | 12.4 | 20.7 | 58.4 | 100.0 | 42.2 | 30.8 | 16.2 |
| 1988 | 1.7 | 6.4 | 12.2 | 20.4 | 59.1 | 100.0 | 43.2 | 32.3 | 18.1 |
| 1989 | 1.6 | 6.4 | 12.6 | 20.6 | 58.7 | 100.0 | 42.5 | 31.3 | 16.7 |
| 1990 | 1.9 | 6.8 | 12.6 | 20.7 | 57.9 | 100.0 | 41.7 | 30.6 | 16.2 |
| 1991 | 1.9 | 6.6 | 12.6 | 20.9 | 57.9 | 100.0 | 41.7 | 30.3 | 15.7 |
| 1992 | 1.7 | 6.2 | 12.2 | 20.2 | 59.5 | 100.0 | 43.6 | 32.3 | 17.5 |
| 1993 | 1.6 | 6.0 | 11.8 | 19.8 | 60.5 | 100.0 | 44.9 | 33.8 | 18.7 |
| 1994 | 1.3 | 5.8 | 11.8 | 19.8 | 61.1 | 100.0 | 45.6 | 34.4 | 19.4 |
| 1995 | 1.3 | 5.8 | 11.4 | 19.3 | 61.9 | 100.0 | 46.6 | 35.4 | 20.1 |
| 1996 | 1.1 | 5.5 | 11.1 | 18.8 | 63.4 | 100.0 | 48.3 | 37.3 | 21.8 |
| 1997 | 1.1 | 5.4 | 10.8 | 18.3 | 64.2 | 100.0 | 49.3 | 38.3 | 22.7 |
| 1998 | 1.1 | 5.2 | 10.5 | 18.2 | 64.9 | 100.0 | 49.9 | 38.9 | 23.3 |
| 1999 | 1.1 | 5.2 | 10.2 | 17.8 | 65.6 | 100.0 | 51.0 | 40.2 | 24.3 |
| 2000 | 1.1 | 4.8 | 9.8 | 17.5 | 66.6 | 100.0 | 52.2 | 41.4 | 25.5 |
| 2001 | 1.0 | 4.9 | 10.1 | 18.4 | 65.3 | 100.0 | 50.0 | 38.5 | 22.7 |
| 2002 | 1.0 | 4.9 | 10.4 | 18.8 | 64.8 | 100.0 | 49.2 | 37.6 | 21.4 |
| 2003 | 1.0 | 4.5 | 10.0 | 18.4 | 65.8 | 100.0 | 50.4 | 39.0 | 22.9 |
| 2004 | 0.9 | 4.4 | 9.7 | 17.6 | 67.2 | 100.0 | 52.5 | 41.4 | 25.4 |
| 2005 | 0.8 | 4.2 | 9.2 | 16.8 | 68.8 | 100.0 | 54.8 | 44.0 | 27.7 |
| 2006 | 0.8 | 4.1 | 9.1 | 16.5 | 69.3 | 100.0 | 55.4 | 44.7 | 28.3 |

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|---|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Share of Individual Income Tax Liabilities | | | | | | | | | |
| 1979 | 0.0 | 4.1 | 10.7 | 20.2 | 64.9 | 100.0 | 48.1 | 35.6 | 18.3 |
| 1980 | 0.1 | 4.2 | 10.8 | 20.2 | 64.8 | 100.0 | 47.6 | 34.9 | 17.4 |
| 1981 | 0.2 | 4.4 | 10.9 | 20.6 | 63.9 | 100.0 | 46.6 | 33.9 | 16.3 |
| 1982 | 0.2 | 4.0 | 10.6 | 20.2 | 64.9 | 100.0 | 47.6 | 35.0 | 17.7 |
| 1983 | 0.2 | 3.8 | 10.2 | 19.7 | 66.1 | 100.0 | 49.1 | 36.6 | 19.6 |
| 1984 | 0.3 | 4.1 | 10.1 | 19.2 | 66.3 | 100.0 | 49.9 | 37.7 | 20.7 |
| 1985 | 0.2 | 4.0 | 9.9 | 19.0 | 66.9 | 100.0 | 50.5 | 38.3 | 21.2 |
| 1986 | 0.2 | 3.7 | 9.2 | 18.0 | 68.9 | 100.0 | 53.4 | 41.6 | 24.6 |
| 1987 | -0.3 | 3.1 | 8.7 | 17.5 | 70.9 | 100.0 | 54.7 | 42.1 | 23.5 |
| 1988 | -0.4 | 2.9 | 8.5 | 17.2 | 71.9 | 100.0 | 56.3 | 44.5 | 26.6 |
| 1989 | -0.7 | 2.8 | 8.9 | 17.6 | 71.4 | 100.0 | 55.3 | 42.9 | 24.3 |
| 1990 | -0.4 | 3.3 | 8.9 | 17.8 | 70.4 | 100.0 | 54.3 | 42.1 | 23.8 |
| 1991 | -0.8 | 2.9 | 9.0 | 18.0 | 70.8 | 100.0 | 54.5 | 42.1 | 23.4 |
| 1992 | -0.9 | 2.5 | 8.4 | 17.1 | 73.0 | 100.0 | 57.2 | 44.9 | 26.2 |
| 1993 | -1.0 | 2.3 | 8.1 | 16.8 | 73.8 | 100.0 | 58.4 | 46.4 | 27.6 |
| 1994 | -1.7 | 1.8 | 8.1 | 16.9 | 74.9 | 100.0 | 59.3 | 46.9 | 27.8 |
| 1995 | -2.0 | 1.9 | 7.7 | 16.2 | 76.1 | 100.0 | 60.8 | 48.5 | 29.0 |
| 1996 | -2.1 | 1.6 | 7.3 | 15.5 | 77.6 | 100.0 | 62.9 | 50.9 | 31.4 |
| 1997 | -2.0 | 1.7 | 7.2 | 14.9 | 78.2 | 100.0 | 63.7 | 51.8 | 32.3 |
| 1998 | -2.1 | 1.3 | 6.4 | 14.6 | 79.8 | 100.0 | 65.4 | 53.4 | 33.5 |
| 1999 | -1.9 | 1.3 | 6.1 | 14.0 | 80.6 | 100.0 | 66.7 | 55.1 | 35.0 |
| 2000 | -1.6 | 1.1 | 5.7 | 13.5 | 81.2 | 100.0 | 67.7 | 56.2 | 36.5 |
| 2001 | -2.3 | 0.3 | 5.3 | 14.3 | 82.4 | 100.0 | 67.7 | 55.2 | 34.4 |
| 2002 | -2.7 | -0.2 | 5.4 | 14.7 | 82.7 | 100.0 | 67.5 | 54.5 | 33.0 |
| 2003 | -3.0 | -1.1 | 4.7 | 14.6 | 84.8 | 100.0 | 69.6 | 56.6 | 34.6 |
| 2004 | -2.9 | -0.9 | 4.7 | 13.8 | 85.3 | 100.0 | 70.8 | 58.5 | 36.7 |
| 2005 | -2.9 | -0.9 | 4.4 | 13.1 | 86.3 | 100.0 | 72.7 | 60.7 | 38.8 |
| 2006 | -2.8 | -0.8 | 4.4 | 12.9 | 86.3 | 100.0 | 72.8 | 60.9 | 39.1 |

Shares of Federal Tax Liabilities for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Share of Social Insurance Tax Liabilities | | | | | | | | | |
| 1979 | 4.5 | 12.5 | 19.8 | 27.4 | 35.9 | 100.0 | 18.5 | 8.5 | 1.3 |
| 1980 | 4.4 | 12.1 | 19.5 | 27.2 | 36.8 | 100.0 | 19.1 | 9.1 | 1.4 |
| 1981 | 4.3 | 11.9 | 19.2 | 27.0 | 37.5 | 100.0 | 19.9 | 9.6 | 1.6 |
| 1982 | 4.1 | 11.3 | 18.7 | 26.7 | 39.2 | 100.0 | 21.2 | 10.5 | 2.0 |
| 1983 | 4.0 | 10.9 | 18.3 | 26.8 | 39.9 | 100.0 | 21.8 | 11.0 | 2.0 |
| 1984 | 4.2 | 11.2 | 18.3 | 26.5 | 39.7 | 100.0 | 21.4 | 10.8 | 2.0 |
| 1985 | 4.0 | 11.2 | 18.3 | 26.4 | 39.9 | 100.0 | 21.6 | 10.8 | 1.9 |
| 1986 | 3.9 | 11.0 | 18.1 | 26.7 | 40.2 | 100.0 | 21.6 | 10.7 | 1.9 |
| 1987 | 3.5 | 10.6 | 18.0 | 26.9 | 40.8 | 100.0 | 22.0 | 11.1 | 2.1 |
| 1988 | 3.6 | 10.8 | 17.8 | 27.0 | 40.7 | 100.0 | 22.0 | 11.2 | 2.1 |
| 1989 | 3.8 | 10.8 | 18.2 | 26.6 | 40.4 | 100.0 | 22.0 | 11.2 | 2.2 |
| 1990 | 4.0 | 11.1 | 17.8 | 26.5 | 40.5 | 100.0 | 22.2 | 11.5 | 2.2 |
| 1991 | 4.0 | 10.6 | 17.2 | 26.2 | 41.9 | 100.0 | 24.0 | 12.9 | 2.8 |
| 1992 | 3.8 | 10.3 | 17.3 | 26.1 | 42.3 | 100.0 | 24.0 | 12.9 | 2.7 |
| 1993 | 3.8 | 10.2 | 17.0 | 26.0 | 42.8 | 100.0 | 24.6 | 13.5 | 2.9 |
| 1994 | 3.7 | 10.1 | 16.9 | 25.8 | 43.3 | 100.0 | 25.3 | 14.1 | 3.7 |
| 1995 | 4.1 | 10.4 | 16.9 | 25.9 | 42.6 | 100.0 | 24.8 | 13.6 | 3.5 |
| 1996 | 4.1 | 10.4 | 16.9 | 25.8 | 42.7 | 100.0 | 24.8 | 13.8 | 3.6 |
| 1997 | 4.2 | 10.5 | 16.8 | 25.7 | 42.6 | 100.0 | 24.8 | 13.7 | 3.7 |
| 1998 | 4.4 | 10.4 | 16.6 | 25.8 | 42.5 | 100.0 | 24.5 | 13.6 | 3.7 |
| 1999 | 4.4 | 10.5 | 16.5 | 25.7 | 42.8 | 100.0 | 25.0 | 14.1 | 4.0 |
| 2000 | 4.2 | 10.2 | 16.3 | 25.8 | 43.3 | 100.0 | 25.6 | 14.6 | 4.3 |
| 2001 | 4.2 | 10.3 | 16.4 | 25.2 | 43.8 | 100.0 | 26.0 | 14.6 | 4.0 |
| 2002 | 4.1 | 10.2 | 16.2 | 25.0 | 44.3 | 100.0 | 26.4 | 15.0 | 3.9 |
| 2003 | 4.1 | 10.0 | 16.1 | 25.0 | 44.7 | 100.0 | 26.6 | 15.0 | 3.9 |
| 2004 | 4.1 | 10.1 | 16.5 | 24.9 | 44.3 | 100.0 | 26.2 | 14.8 | 4.0 |
| 2005 | 4.3 | 10.3 | 16.5 | 25.1 | 43.7 | 100.0 | 25.9 | 14.5 | 3.9 |
| 2006 | 4.4 | 10.3 | 16.6 | 25.0 | 43.5 | 100.0 | 25.7 | 14.5 | 4.0 |
| Share of Corporate Income Tax Liabilities | | | | | | | | | |
| 1979 | 1.8 | 4.1 | 6.7 | 10.5 | 76.5 | 100.0 | 66.7 | 57.9 | 37.8 |
| 1980 | 1.8 | 3.9 | 7.0 | 11.3 | 75.5 | 100.0 | 65.0 | 55.6 | 35.6 |
| 1981 | 1.6 | 3.8 | 7.1 | 11.9 | 74.9 | 100.0 | 64.6 | 55.4 | 35.8 |
| 1982 | 1.7 | 4.0 | 7.5 | 12.1 | 73.8 | 100.0 | 63.3 | 54.9 | 37.7 |
| 1983 | 1.6 | 3.8 | 7.5 | 12.2 | 74.2 | 100.0 | 63.7 | 55.2 | 37.6 |
| 1984 | 1.9 | 3.8 | 7.5 | 12.7 | 73.2 | 100.0 | 63.5 | 55.1 | 38.5 |
| 1985 | 1.4 | 3.7 | 7.5 | 12.3 | 74.2 | 100.0 | 64.9 | 56.9 | 39.7 |
| 1986 | 1.4 | 3.3 | 7.2 | 11.7 | 75.7 | 100.0 | 67.4 | 59.5 | 42.8 |
| 1987 | 1.3 | 3.8 | 7.7 | 12.8 | 73.1 | 100.0 | 64.0 | 55.3 | 36.7 |
| 1988 | 1.2 | 3.4 | 7.5 | 11.6 | 74.9 | 100.0 | 66.5 | 58.4 | 40.7 |
| 1989 | 1.2 | 3.6 | 7.0 | 11.7 | 75.2 | 100.0 | 66.0 | 57.4 | 39.1 |
| 1990 | 1.2 | 3.2 | 6.9 | 11.6 | 75.6 | 100.0 | 66.3 | 57.4 | 39.7 |
| 1991 | 1.4 | 3.4 | 7.5 | 11.6 | 74.5 | 100.0 | 64.7 | 56.2 | 38.3 |
| 1992 | 1.3 | 3.2 | 6.9 | 10.8 | 76.4 | 100.0 | 67.8 | 59.0 | 40.7 |
| 1993 | 1.1 | 3.0 | 6.3 | 10.3 | 77.9 | 100.0 | 69.2 | 60.5 | 42.2 |
| 1994 | 1.0 | 2.7 | 6.2 | 10.1 | 78.5 | 100.0 | 70.0 | 62.1 | 44.5 |
| 1995 | 1.1 | 2.6 | 5.9 | 10.0 | 79.0 | 100.0 | 70.1 | 61.5 | 43.2 |
| 1996 | 0.9 | 2.4 | 5.8 | 9.7 | 80.1 | 100.0 | 71.2 | 62.4 | 44.5 |
| 1997 | 0.8 | 2.2 | 5.3 | 9.2 | 81.5 | 100.0 | 72.6 | 64.1 | 45.7 |
| 1998 | 0.8 | 2.2 | 5.4 | 8.7 | 82.0 | 100.0 | 73.8 | 65.4 | 47.9 |
| 1999 | 0.8 | 2.2 | 5.5 | 8.5 | 82.1 | 100.0 | 73.8 | 65.7 | 47.8 |
| 2000 | 0.9 | 2.1 | 5.3 | 8.0 | 82.9 | 100.0 | 74.6 | 66.5 | 49.1 |
| 2001 | 0.7 | 2.0 | 4.8 | 8.5 | 82.6 | 100.0 | 74.8 | 67.8 | 51.8 |
| 2002 | 0.6 | 1.8 | 4.3 | 8.0 | 83.4 | 100.0 | 76.0 | 69.5 | 53.4 |
| 2003 | 0.6 | 1.5 | 3.7 | 6.9 | 85.9 | 100.0 | 79.5 | 73.3 | 57.6 |
| 2004 | 0.6 | 1.5 | 3.0 | 6.5 | 87.3 | 100.0 | 81.4 | 74.7 | 59.5 |
| 2005 | 0.6 | 1.4 | 3.3 | 6.4 | 87.2 | 100.0 | 80.8 | 73.9 | 57.7 |
| 2006 | 0.6 | 1.4 | 3.2 | 6.6 | 87.2 | 100.0 | 80.5 | 73.5 | 57.1 |

Shares of Federal Tax Liabilities for All Households, by Comprehensive Household Income Quintile, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Share of Federal Excise Tax Liabilities | | | | | | | | | |
| 1979 | 9.9 | 15.0 | 18.2 | 21.6 | 34.8 | 100.0 | 21.4 | 13.1 | 4.6 |
| 1980 | 9.7 | 14.7 | 18.1 | 21.6 | 35.2 | 100.0 | 21.7 | 13.4 | 4.6 |
| 1981 | 9.6 | 14.6 | 18.4 | 21.7 | 34.9 | 100.0 | 21.3 | 13.1 | 4.6 |
| 1982 | 9.7 | 14.5 | 18.2 | 22.2 | 34.8 | 100.0 | 20.8 | 12.6 | 4.4 |
| 1983 | 10.8 | 14.5 | 17.8 | 22.1 | 34.2 | 100.0 | 20.4 | 12.7 | 4.6 |
| 1984 | 11.6 | 14.9 | 17.6 | 22.0 | 33.3 | 100.0 | 20.0 | 12.2 | 4.5 |
| 1985 | 11.2 | 14.7 | 17.5 | 21.6 | 34.3 | 100.0 | 21.2 | 13.4 | 5.0 |
| 1986 | 10.2 | 14.3 | 17.7 | 21.2 | 36.0 | 100.0 | 23.1 | 15.1 | 6.4 |
| 1987 | 10.1 | 14.8 | 18.1 | 21.8 | 34.7 | 100.0 | 21.5 | 13.3 | 5.0 |
| 1988 | 9.7 | 15.0 | 17.9 | 22.0 | 35.1 | 100.0 | 21.7 | 13.6 | 5.4 |
| 1989 | 9.6 | 14.5 | 18.2 | 22.5 | 34.7 | 100.0 | 20.8 | 12.7 | 4.5 |
| 1990 | 10.6 | 14.8 | 18.2 | 22.2 | 33.8 | 100.0 | 20.2 | 12.2 | 4.2 |
| 1991 | 10.7 | 14.8 | 18.7 | 22.1 | 33.3 | 100.0 | 20.2 | 12.3 | 4.2 |
| 1992 | 10.6 | 15.2 | 18.4 | 22.0 | 33.3 | 100.0 | 20.0 | 12.1 | 4.1 |
| 1993 | 10.9 | 15.0 | 18.2 | 21.5 | 33.7 | 100.0 | 20.7 | 12.7 | 4.3 |
| 1994 | 10.8 | 15.1 | 18.5 | 21.8 | 33.0 | 100.0 | 20.0 | 12.1 | 4.1 |
| 1995 | 10.9 | 15.2 | 18.3 | 22.1 | 32.9 | 100.0 | 19.5 | 11.7 | 4.1 |
| 1996 | 10.7 | 15.4 | 18.4 | 21.6 | 33.3 | 100.0 | 20.1 | 12.2 | 4.2 |
| 1997 | 11.1 | 15.0 | 17.8 | 21.0 | 34.6 | 100.0 | 21.5 | 13.5 | 5.1 |
| 1998 | 10.9 | 14.5 | 18.1 | 21.1 | 35.1 | 100.0 | 21.6 | 13.5 | 5.3 |
| 1999 | 10.8 | 14.6 | 18.1 | 21.3 | 34.9 | 100.0 | 21.6 | 13.7 | 5.0 |
| 2000 | 10.8 | 14.4 | 18.0 | 21.6 | 34.8 | 100.0 | 21.2 | 13.1 | 4.9 |
| 2001 | 10.9 | 14.7 | 18.1 | 22.6 | 33.3 | 100.0 | 20.0 | 12.1 | 4.2 |
| 2002 | 11.2 | 15.3 | 18.7 | 22.4 | 32.0 | 100.0 | 19.1 | 11.6 | 4.0 |
| 2003 | 11.4 | 15.2 | 18.8 | 22.2 | 32.0 | 100.0 | 19.2 | 11.8 | 4.3 |
| 2004 | 11.1 | 14.9 | 18.4 | 22.1 | 33.1 | 100.0 | 20.2 | 12.6 | 4.8 |
| 2005 | 11.2 | 14.6 | 17.9 | 21.9 | 34.2 | 100.0 | 21.3 | 13.6 | 5.5 |
| 2006 | 10.9 | 14.5 | 17.8 | 21.8 | 34.7 | 100.0 | 21.7 | 13.9 | 5.6 |

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. (A household consists of the people who share a housing unit, regardless of their relationships.) Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other income) are excluded from the lowest income category but are included in totals.

Individual income taxes are attributed directly to households paying those taxes. Social insurance, or payroll, taxes are attributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are attributed to households according to their share of capital income. Federal excise taxes are attributed to them according to their consumption of the taxed good or service.

Number of Households, Average Income and Income Shares, and Income Category Minimums for All Households, by Household Income Category, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|--|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| Number of Households (Millions) | | | | | | | | | |
| 1979 | 17.9 | 15.8 | 15.0 | 15.4 | 16.7 | 81.1 | 8.6 | 4.3 | 0.9 |
| 1980 | 18.1 | 16.1 | 15.2 | 15.7 | 17.1 | 82.6 | 8.8 | 4.4 | 0.9 |
| 1981 | 17.9 | 16.3 | 15.7 | 15.9 | 17.5 | 83.8 | 9.0 | 4.6 | 0.9 |
| 1982 | 17.6 | 16.3 | 16.0 | 16.2 | 17.8 | 84.3 | 9.1 | 4.6 | 0.9 |
| 1983 | 17.5 | 16.8 | 16.4 | 16.6 | 18.0 | 85.8 | 9.2 | 4.6 | 0.9 |
| 1984 | 18.5 | 16.8 | 16.6 | 16.8 | 18.0 | 87.2 | 9.1 | 4.6 | 0.9 |
| 1985 | 18.5 | 17.3 | 16.8 | 17.3 | 18.5 | 88.8 | 9.4 | 4.8 | 1.0 |
| 1986 | 18.8 | 17.3 | 17.3 | 17.5 | 18.5 | 89.9 | 9.5 | 4.8 | 1.0 |
| 1987 | 18.2 | 18.4 | 17.8 | 18.0 | 18.7 | 91.4 | 9.5 | 4.8 | 1.0 |
| 1988 | 18.5 | 18.7 | 18.1 | 18.4 | 19.0 | 93.1 | 9.7 | 4.8 | 1.0 |
| 1989 | 18.4 | 18.8 | 18.3 | 18.5 | 19.3 | 93.6 | 9.8 | 4.9 | 1.0 |
| 1990 | 18.8 | 18.6 | 18.4 | 18.7 | 19.7 | 94.6 | 10.0 | 5.0 | 1.0 |
| 1991 | 19.3 | 18.6 | 18.9 | 18.9 | 19.9 | 96.0 | 10.1 | 5.1 | 1.0 |
| 1992 | 19.0 | 18.9 | 18.9 | 19.0 | 20.1 | 96.3 | 10.2 | 5.1 | 1.0 |
| 1993 | 19.1 | 19.2 | 19.1 | 19.2 | 20.2 | 97.3 | 10.3 | 5.2 | 1.0 |
| 1994 | 19.4 | 19.6 | 19.7 | 19.5 | 20.5 | 99.1 | 10.4 | 5.2 | 1.0 |
| 1995 | 20.1 | 19.3 | 19.7 | 19.7 | 20.6 | 99.7 | 10.5 | 5.2 | 1.0 |
| 1996 | 20.2 | 19.8 | 19.8 | 20.0 | 21.0 | 101.1 | 10.7 | 5.4 | 1.1 |
| 1997 | 20.6 | 19.8 | 20.2 | 20.2 | 21.4 | 102.6 | 10.8 | 5.4 | 1.1 |
| 1998 | 21.1 | 19.8 | 20.7 | 20.4 | 21.6 | 104.0 | 10.9 | 5.4 | 1.1 |
| 1999 | 21.2 | 20.0 | 20.9 | 20.6 | 21.8 | 104.8 | 11.1 | 5.5 | 1.1 |
| 2000 | 22.1 | 20.8 | 21.6 | 21.1 | 22.4 | 108.3 | 11.4 | 5.7 | 1.1 |
| 2001 | 22.5 | 20.9 | 21.3 | 21.7 | 22.5 | 109.4 | 11.4 | 5.7 | 1.1 |
| 2002 | 23.0 | 21.4 | 21.7 | 22.0 | 22.7 | 111.4 | 11.5 | 5.8 | 1.1 |
| 2003 | 23.1 | 21.6 | 22.0 | 22.1 | 22.7 | 112.1 | 11.5 | 5.8 | 1.1 |
| 2004 | 23.6 | 21.9 | 22.0 | 22.3 | 23.0 | 113.3 | 11.6 | 5.8 | 1.2 |
| 2005 | 23.9 | 22.0 | 22.4 | 22.6 | 23.1 | 114.5 | 11.7 | 5.8 | 1.1 |
| 2006 | 23.8 | 22.4 | 22.9 | 23.0 | 23.6 | 116.1 | 12.0 | 5.9 | 1.1 |

| Average Income (2006 Dollars) | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|---------|--------|---------|---------|-----------|
| <i>Pretax Income</i> | | | | | | | | | |
| 1979 | 16,200 | 35,100 | 52,700 | 71,200 | 136,400 | 61,600 | 177,800 | 241,900 | 534,800 |
| 1980 | 15,500 | 33,700 | 50,900 | 69,100 | 132,000 | 59,600 | 171,800 | 230,400 | 504,200 |
| 1981 | 15,200 | 33,300 | 50,200 | 69,400 | 131,000 | 59,400 | 169,700 | 226,300 | 500,700 |
| 1982 | 14,700 | 32,500 | 49,200 | 68,600 | 131,000 | 59,200 | 171,200 | 231,400 | 522,300 |
| 1983 | 14,200 | 31,300 | 48,400 | 68,100 | 135,400 | 59,600 | 179,300 | 243,700 | 571,700 |
| 1984 | 14,700 | 33,100 | 50,400 | 71,000 | 144,800 | 62,200 | 194,200 | 267,100 | 629,400 |
| 1985 | 14,800 | 33,200 | 51,200 | 71,700 | 148,700 | 63,800 | 200,700 | 278,000 | 675,900 |
| 1986 | 14,800 | 34,100 | 52,500 | 74,300 | 167,800 | 68,500 | 232,000 | 334,800 | 879,900 |
| 1987 | 14,500 | 32,800 | 52,100 | 74,500 | 158,000 | 66,100 | 213,900 | 296,800 | 711,200 |
| 1988 | 14,800 | 33,500 | 52,900 | 75,300 | 170,000 | 69,100 | 234,900 | 337,000 | 895,700 |
| 1989 | 15,300 | 34,100 | 53,500 | 76,200 | 169,100 | 69,600 | 232,400 | 328,800 | 833,600 |
| 1990 | 15,800 | 35,000 | 53,300 | 75,300 | 164,200 | 68,900 | 224,100 | 315,500 | 799,900 |
| 1991 | 15,800 | 34,400 | 52,400 | 74,500 | 158,400 | 67,100 | 214,000 | 296,300 | 721,100 |
| 1992 | 15,500 | 34,200 | 52,800 | 75,200 | 165,400 | 68,900 | 226,600 | 321,200 | 817,700 |
| 1993 | 15,800 | 34,400 | 53,000 | 75,800 | 165,500 | 69,100 | 225,000 | 314,900 | 785,600 |
| 1994 | 15,700 | 34,700 | 53,500 | 77,100 | 168,800 | 70,000 | 231,100 | 325,100 | 810,000 |
| 1995 | 16,500 | 36,400 | 55,000 | 78,300 | 176,800 | 72,700 | 242,900 | 348,800 | 892,800 |
| 1996 | 16,200 | 36,200 | 55,600 | 79,600 | 185,600 | 75,100 | 259,700 | 373,800 | 984,700 |
| 1997 | 16,600 | 37,000 | 56,500 | 81,100 | 196,700 | 78,100 | 279,600 | 412,000 | 1,129,200 |
| 1998 | 17,400 | 38,600 | 57,900 | 84,200 | 208,800 | 81,800 | 300,000 | 449,200 | 1,268,300 |
| 1999 | 18,000 | 39,600 | 59,100 | 86,400 | 221,200 | 85,400 | 319,400 | 478,700 | 1,380,500 |
| 2000 | 17,100 | 39,000 | 58,800 | 87,200 | 229,900 | 86,700 | 334,900 | 508,000 | 1,508,500 |
| 2001 | 16,900 | 39,200 | 59,600 | 85,900 | 208,000 | 81,900 | 294,700 | 432,100 | 1,193,900 |
| 2002 | 16,400 | 38,000 | 58,200 | 84,000 | 197,700 | 78,400 | 275,900 | 395,700 | 1,057,600 |
| 2003 | 16,200 | 37,600 | 57,900 | 84,700 | 204,300 | 79,500 | 287,700 | 418,500 | 1,128,600 |
| 2004 | 16,300 | 38,500 | 59,900 | 87,300 | 221,600 | 83,900 | 317,900 | 472,400 | 1,341,900 |
| 2005 | 16,600 | 39,000 | 60,400 | 88,200 | 239,900 | 88,100 | 352,000 | 540,200 | 1,614,600 |
| 2006 | 17,200 | 39,400 | 60,700 | 89,500 | 248,400 | 90,700 | 366,400 | 564,200 | 1,743,700 |

Number of Households, Average Income and Income Shares, and Income Category Minimums for All Households, by Household Income Category, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|---------|-----------|
| <i>After-Tax Income</i> | | | | | | | | | |
| 1979 | 14,900 | 30,100 | 42,900 | 56,100 | 98,900 | 47,900 | 125,200 | 164,900 | 337,100 |
| 1980 | 14,300 | 29,000 | 41,400 | 54,300 | 96,000 | 46,400 | 122,000 | 159,500 | 329,800 |
| 1981 | 13,900 | 28,400 | 40,600 | 54,100 | 95,700 | 46,100 | 121,800 | 159,800 | 341,400 |
| 1982 | 13,500 | 28,000 | 40,400 | 54,400 | 99,000 | 46,900 | 127,900 | 171,200 | 377,900 |
| 1983 | 12,900 | 27,000 | 39,900 | 54,400 | 103,100 | 47,400 | 134,900 | 181,300 | 413,100 |
| 1984 | 13,200 | 28,300 | 41,300 | 56,500 | 109,700 | 49,200 | 145,200 | 197,500 | 451,700 |
| 1985 | 13,300 | 28,300 | 42,000 | 57,000 | 113,000 | 50,500 | 151,000 | 207,400 | 493,400 |
| 1986 | 13,400 | 29,100 | 43,000 | 59,100 | 127,900 | 54,200 | 175,800 | 252,300 | 655,500 |
| 1987 | 13,300 | 28,200 | 42,900 | 59,400 | 117,200 | 51,800 | 155,700 | 212,200 | 489,300 |
| 1988 | 13,600 | 28,700 | 43,400 | 59,800 | 126,500 | 54,000 | 172,200 | 243,500 | 629,800 |
| 1989 | 14,100 | 29,300 | 43,900 | 60,600 | 126,400 | 54,700 | 171,400 | 239,500 | 592,900 |
| 1990 | 14,400 | 29,800 | 43,800 | 59,700 | 122,900 | 54,000 | 165,600 | 230,300 | 569,800 |
| 1991 | 14,400 | 29,500 | 43,200 | 59,200 | 118,200 | 52,700 | 157,200 | 214,400 | 505,700 |
| 1992 | 14,200 | 29,500 | 43,600 | 60,000 | 123,100 | 54,100 | 165,700 | 231,000 | 567,600 |
| 1993 | 14,500 | 29,800 | 43,900 | 60,400 | 121,200 | 53,900 | 160,600 | 218,900 | 514,800 |
| 1994 | 14,700 | 30,100 | 44,200 | 61,400 | 122,600 | 54,400 | 163,200 | 223,200 | 520,300 |
| 1995 | 15,500 | 31,500 | 45,500 | 62,200 | 127,600 | 56,300 | 170,400 | 237,800 | 570,200 |
| 1996 | 15,300 | 31,400 | 46,000 | 63,400 | 133,600 | 58,000 | 181,500 | 254,100 | 630,200 |
| 1997 | 15,700 | 31,900 | 46,700 | 64,500 | 141,700 | 60,200 | 196,000 | 281,700 | 734,800 |
| 1998 | 16,400 | 33,600 | 48,200 | 67,100 | 151,100 | 63,400 | 212,100 | 310,800 | 844,300 |
| 1999 | 16,900 | 34,300 | 49,200 | 68,700 | 159,200 | 65,800 | 224,500 | 329,600 | 917,800 |
| 2000 | 16,000 | 33,900 | 49,000 | 69,300 | 165,600 | 66,800 | 235,900 | 350,700 | 1,010,100 |
| 2001 | 16,100 | 34,700 | 50,500 | 69,700 | 152,500 | 64,400 | 210,800 | 302,600 | 801,700 |
| 2002 | 15,700 | 33,900 | 49,600 | 68,700 | 146,300 | 62,200 | 198,900 | 278,800 | 710,300 |
| 2003 | 15,500 | 34,000 | 49,900 | 70,000 | 153,300 | 63,800 | 210,500 | 299,100 | 771,100 |
| 2004 | 15,600 | 34,600 | 51,500 | 72,200 | 165,600 | 67,100 | 231,800 | 336,800 | 920,800 |
| 2005 | 15,900 | 35,000 | 51,800 | 72,800 | 178,100 | 69,900 | 254,800 | 382,400 | 1,104,600 |
| 2006 | 16,500 | 35,400 | 52,100 | 73,800 | 184,400 | 71,900 | 265,500 | 400,400 | 1,200,300 |

Share of Income (Percent)
Pretax Income

| | | | | | | | | | |
|------|-----|------|------|------|------|-------|------|------|------|
| 1979 | 5.8 | 11.1 | 15.8 | 22.0 | 45.5 | 100.0 | 30.5 | 20.7 | 9.3 |
| 1980 | 5.7 | 11.0 | 15.7 | 22.1 | 45.8 | 100.0 | 30.6 | 20.7 | 9.1 |
| 1981 | 5.5 | 10.9 | 15.9 | 22.2 | 46.0 | 100.0 | 30.7 | 20.7 | 9.1 |
| 1982 | 5.2 | 10.6 | 15.7 | 22.2 | 46.7 | 100.0 | 31.1 | 21.1 | 9.6 |
| 1983 | 4.9 | 10.3 | 15.5 | 22.2 | 47.7 | 100.0 | 32.2 | 22.2 | 10.3 |
| 1984 | 5.0 | 10.3 | 15.4 | 22.0 | 48.0 | 100.0 | 32.6 | 22.6 | 10.9 |
| 1985 | 4.8 | 10.1 | 15.2 | 21.9 | 48.6 | 100.0 | 33.4 | 23.4 | 11.5 |
| 1986 | 4.5 | 9.6 | 14.7 | 21.2 | 50.6 | 100.0 | 35.8 | 26.0 | 14.0 |
| 1987 | 4.4 | 10.0 | 15.3 | 22.1 | 48.9 | 100.0 | 33.5 | 23.4 | 11.2 |
| 1988 | 4.3 | 9.7 | 14.9 | 21.6 | 50.3 | 100.0 | 35.3 | 25.4 | 13.3 |
| 1989 | 4.3 | 9.8 | 15.1 | 21.6 | 49.9 | 100.0 | 34.8 | 24.8 | 12.5 |
| 1990 | 4.6 | 10.0 | 15.1 | 21.6 | 49.5 | 100.0 | 34.4 | 24.3 | 12.1 |
| 1991 | 4.7 | 10.0 | 15.4 | 21.8 | 49.0 | 100.0 | 33.7 | 23.6 | 11.2 |
| 1992 | 4.4 | 9.7 | 15.1 | 21.5 | 50.0 | 100.0 | 34.9 | 24.7 | 12.3 |
| 1993 | 4.5 | 9.8 | 15.0 | 21.6 | 49.8 | 100.0 | 34.6 | 24.4 | 11.9 |
| 1994 | 4.4 | 9.8 | 15.2 | 21.6 | 49.8 | 100.0 | 34.6 | 24.5 | 12.1 |
| 1995 | 4.6 | 9.7 | 14.9 | 21.3 | 50.2 | 100.0 | 35.2 | 25.1 | 12.5 |
| 1996 | 4.3 | 9.4 | 14.5 | 21.0 | 51.5 | 100.0 | 36.5 | 26.5 | 13.8 |
| 1997 | 4.3 | 9.1 | 14.2 | 20.4 | 52.6 | 100.0 | 37.8 | 27.8 | 14.9 |
| 1998 | 4.3 | 9.0 | 14.1 | 20.2 | 53.0 | 100.0 | 38.4 | 28.5 | 15.7 |
| 1999 | 4.2 | 8.9 | 13.8 | 19.9 | 53.8 | 100.0 | 39.4 | 29.6 | 16.7 |
| 2000 | 4.0 | 8.6 | 13.5 | 19.6 | 54.8 | 100.0 | 40.6 | 30.7 | 17.8 |
| 2001 | 4.3 | 9.2 | 14.2 | 20.8 | 52.3 | 100.0 | 37.5 | 27.4 | 14.7 |
| 2002 | 4.3 | 9.3 | 14.5 | 21.2 | 51.5 | 100.0 | 36.5 | 26.3 | 13.5 |
| 2003 | 4.2 | 9.1 | 14.3 | 21.0 | 52.1 | 100.0 | 37.2 | 27.0 | 14.3 |
| 2004 | 4.1 | 8.9 | 13.9 | 20.4 | 53.5 | 100.0 | 38.9 | 29.0 | 16.3 |
| 2005 | 4.0 | 8.5 | 13.4 | 19.7 | 55.1 | 100.0 | 40.9 | 31.1 | 18.1 |
| 2006 | 3.9 | 8.4 | 13.2 | 19.5 | 55.7 | 100.0 | 41.6 | 31.9 | 18.8 |

Number of Households, Average Income and Income Shares, and Income Category Minimums for All Households, by Household Income Category, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|-------------------------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
| <i>After-Tax Income</i> | | | | | | | | | |
| 1979 | 6.8 | 12.3 | 16.5 | 22.3 | 42.4 | 100.0 | 27.6 | 18.1 | 7.5 |
| 1980 | 6.8 | 12.1 | 16.5 | 22.3 | 42.8 | 100.0 | 27.9 | 18.4 | 7.7 |
| 1981 | 6.5 | 12.0 | 16.5 | 22.3 | 43.3 | 100.0 | 28.4 | 18.9 | 8.0 |
| 1982 | 6.0 | 11.5 | 16.3 | 22.3 | 44.6 | 100.0 | 29.4 | 19.7 | 8.7 |
| 1983 | 5.5 | 11.2 | 16.1 | 22.3 | 45.7 | 100.0 | 30.5 | 20.7 | 9.4 |
| 1984 | 5.7 | 11.1 | 16.0 | 22.2 | 46.0 | 100.0 | 30.9 | 21.2 | 9.9 |
| 1985 | 5.5 | 10.9 | 15.8 | 22.0 | 46.7 | 100.0 | 31.7 | 22.0 | 10.6 |
| 1986 | 5.2 | 10.3 | 15.3 | 21.3 | 48.7 | 100.0 | 34.3 | 24.8 | 13.2 |
| 1987 | 5.1 | 10.9 | 16.1 | 22.5 | 46.3 | 100.0 | 31.1 | 21.3 | 9.9 |
| 1988 | 5.0 | 10.7 | 15.6 | 21.9 | 47.9 | 100.0 | 33.1 | 23.5 | 12.0 |
| 1989 | 5.1 | 10.8 | 15.7 | 21.9 | 47.6 | 100.0 | 32.7 | 23.0 | 11.3 |
| 1990 | 5.3 | 10.8 | 15.8 | 21.9 | 47.3 | 100.0 | 32.3 | 22.6 | 11.0 |
| 1991 | 5.5 | 10.9 | 16.2 | 22.1 | 46.5 | 100.0 | 31.5 | 21.7 | 10.0 |
| 1992 | 5.2 | 10.7 | 15.9 | 21.9 | 47.4 | 100.0 | 32.5 | 22.7 | 10.9 |
| 1993 | 5.3 | 10.9 | 16.0 | 22.1 | 46.8 | 100.0 | 31.7 | 21.8 | 10.0 |
| 1994 | 5.3 | 11.0 | 16.1 | 22.2 | 46.5 | 100.0 | 31.4 | 21.6 | 10.0 |
| 1995 | 5.5 | 10.9 | 15.9 | 21.9 | 46.8 | 100.0 | 31.9 | 22.1 | 10.3 |
| 1996 | 5.3 | 10.6 | 15.6 | 21.6 | 48.0 | 100.0 | 33.1 | 23.3 | 11.4 |
| 1997 | 5.2 | 10.2 | 15.3 | 21.1 | 49.1 | 100.0 | 34.4 | 24.6 | 12.6 |
| 1998 | 5.3 | 10.1 | 15.1 | 20.8 | 49.6 | 100.0 | 35.1 | 25.4 | 13.5 |
| 1999 | 5.2 | 10.0 | 14.9 | 20.5 | 50.2 | 100.0 | 36.0 | 26.5 | 14.4 |
| 2000 | 4.9 | 9.7 | 14.7 | 20.2 | 51.3 | 100.0 | 37.1 | 27.5 | 15.5 |
| 2001 | 5.1 | 10.3 | 15.2 | 21.5 | 48.8 | 100.0 | 34.1 | 24.4 | 12.6 |
| 2002 | 5.2 | 10.5 | 15.5 | 21.8 | 48.0 | 100.0 | 33.1 | 23.4 | 11.4 |
| 2003 | 5.0 | 10.3 | 15.4 | 21.6 | 48.8 | 100.0 | 33.9 | 24.1 | 12.2 |
| 2004 | 4.9 | 10.0 | 14.9 | 21.2 | 50.1 | 100.0 | 35.5 | 25.9 | 14.0 |
| 2005 | 4.8 | 9.6 | 14.5 | 20.5 | 51.5 | 100.0 | 37.3 | 27.7 | 15.6 |
| 2006 | 4.7 | 9.5 | 14.3 | 20.3 | 52.1 | 100.0 | 38.1 | 28.5 | 16.3 |

Minimum Adjusted Income (2006 Dollars)^a

| | | | | | | | | | |
|------|---|--------|--------|--------|--------|----|--------|---------|---------|
| 1979 | 0 | 16,900 | 26,800 | 36,800 | 51,300 | NA | 65,600 | 83,300 | 162,900 |
| 1980 | 0 | 16,200 | 25,900 | 35,800 | 50,100 | NA | 64,800 | 81,400 | 158,000 |
| 1981 | 0 | 16,000 | 25,800 | 36,000 | 50,500 | NA | 64,800 | 82,100 | 155,600 |
| 1982 | 0 | 15,500 | 25,100 | 35,500 | 50,500 | NA | 65,100 | 81,600 | 156,100 |
| 1983 | 0 | 14,900 | 24,900 | 35,500 | 50,800 | NA | 65,900 | 83,400 | 162,900 |
| 1984 | 0 | 15,800 | 25,900 | 37,000 | 52,900 | NA | 69,400 | 88,000 | 174,000 |
| 1985 | 0 | 15,900 | 26,400 | 37,600 | 53,700 | NA | 70,500 | 90,100 | 180,800 |
| 1986 | 0 | 16,000 | 27,100 | 38,800 | 56,000 | NA | 73,800 | 95,800 | 210,000 |
| 1987 | 0 | 15,500 | 27,000 | 39,100 | 56,800 | NA | 74,900 | 95,700 | 197,000 |
| 1988 | 0 | 15,900 | 27,600 | 39,900 | 57,900 | NA | 76,700 | 98,400 | 211,900 |
| 1989 | 0 | 16,300 | 28,000 | 40,300 | 58,700 | NA | 77,800 | 100,800 | 214,900 |
| 1990 | 0 | 16,600 | 28,000 | 40,100 | 57,900 | NA | 76,400 | 99,200 | 204,900 |
| 1991 | 0 | 16,600 | 27,500 | 39,700 | 57,000 | NA | 75,300 | 97,500 | 201,000 |
| 1992 | 0 | 16,200 | 27,600 | 40,000 | 57,700 | NA | 76,600 | 100,500 | 212,600 |
| 1993 | 0 | 16,400 | 27,700 | 39,900 | 58,200 | NA | 77,100 | 100,200 | 209,200 |
| 1994 | 0 | 16,600 | 28,100 | 40,900 | 59,100 | NA | 78,200 | 102,400 | 215,500 |
| 1995 | 0 | 17,400 | 29,100 | 41,600 | 60,600 | NA | 81,000 | 106,500 | 229,200 |
| 1996 | 0 | 17,100 | 29,300 | 42,200 | 61,800 | NA | 83,200 | 109,700 | 242,000 |
| 1997 | 0 | 17,600 | 29,700 | 42,900 | 63,300 | NA | 85,700 | 115,100 | 256,800 |
| 1998 | 0 | 18,400 | 30,900 | 44,400 | 65,700 | NA | 89,400 | 120,000 | 274,000 |
| 1999 | 0 | 18,900 | 31,500 | 45,300 | 67,600 | NA | 92,100 | 123,700 | 292,400 |
| 2000 | 0 | 18,500 | 31,300 | 45,600 | 68,300 | NA | 93,700 | 126,800 | 300,500 |
| 2001 | 0 | 18,700 | 31,500 | 45,800 | 67,800 | NA | 91,400 | 122,200 | 271,000 |
| 2002 | 0 | 18,200 | 30,700 | 44,800 | 66,200 | NA | 89,500 | 118,800 | 257,700 |
| 2003 | 0 | 18,000 | 30,500 | 44,800 | 67,100 | NA | 90,200 | 120,300 | 261,900 |
| 2004 | 0 | 18,300 | 31,200 | 46,000 | 68,700 | NA | 93,300 | 124,800 | 285,300 |
| 2005 | 0 | 18,600 | 31,700 | 46,800 | 69,800 | NA | 95,900 | 131,500 | 318,800 |
| 2006 | 0 | 18,900 | 32,100 | 47,400 | 71,200 | NA | 98,100 | 134,400 | 332,300 |

Number of Households, Average Income and Income Shares, and Income Category Minimums for All Households, by Household Income Category, 1979-2006

| Year | Lowest Quintile | Second Quintile | Middle Quintile | Fourth Quintile | Highest Quintile | All Quintiles | Top 10% | Top 5% | Top 1% |
|------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|
|------|-----------------|-----------------|-----------------|-----------------|------------------|---------------|---------|--------|--------|

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. (A household consists of the people who share a housing unit, regardless of their relationships.) Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other income) are excluded from the lowest income category but are included in totals.

Individual income taxes are attributed directly to households paying those taxes. Social insurance, or payroll, taxes are attributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are attributed to households according to their share of capital income. Federal excise taxes are attributed to them according to their consumption of the taxed good or service.

The minimum adjusted income is the lower income boundary for each quintile. Because incomes are adjusted by dividing income by the square root of household size, an adjusted income range implies different unadjusted income for different size households. To compute the unadjusted income range for a particular size household, the adjusted income must be multiplied by the square root of the household size: 1.414 for a two-person household, 1.732 for a three-person household; 2.0 for a four-person household, 2.236 for a five-person household. For example, in 2006, the highest quintile had adjusted income above \$71,200. A two-person household would need income above \$100,700 to fall in that quintile, while a four-person household would need income in excess of \$142,400.