

CONGRESS OF THE UNITED STATES

# JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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For Immediate Release  
October 15, 2004

### NEW IRS DATA SHOW LOWEST INCOME TAX BURDEN ON BOTTOM HALF OF TAXPAYERS IN DECADES

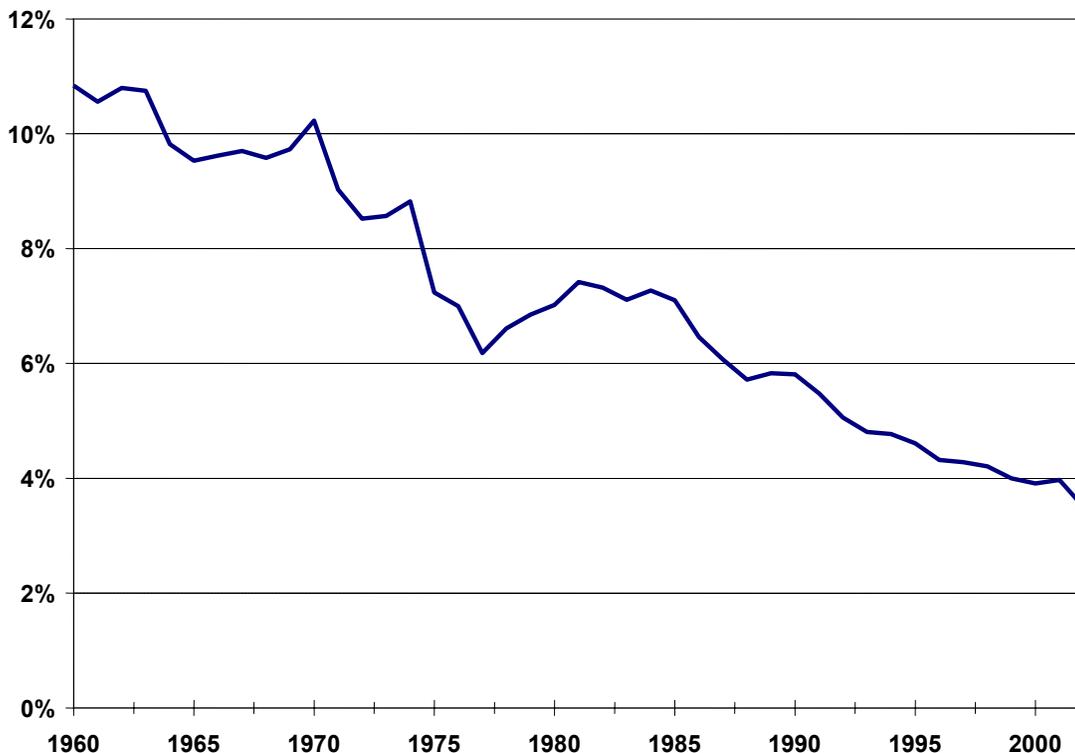
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WASHINGTON, D.C. – New tax data reveal that the bottom half of taxpayers ranked by income currently bears the lowest Federal individual income tax burden in many decades, Vice Chairman Jim Saxton said today. The new Internal Revenue Service (IRS) income tax data show that the bottom half of taxpayers paid 3.50 percent of all Federal income taxes in tax year 2002, evidently the lowest level in half a century.

By comparison, in 1949, the bottom half of taxpayers accounted for 13.95 percent of Federal income taxes, with this share trending downward to 7.05 percent by 1980. By 1989, this percentage of income taxes borne by the bottom half had fallen to 5.83 percent, and by 1999, to 4.0 percent. Under the tax legislation passed in recent years this percentage has fallen further to an historically low level of 3.50 percent. The tax share is mostly determined by tax law but can also be influenced by economic changes. In 2002, the effective income tax rate for the bottom half also declined to historically low levels.

“Actual tax data show that the bottom half of taxpayers continue to benefit from tax relief legislation,” Saxton said. “Under current law, their income tax share and effective tax rate are at the lowest levels in several decades,” he concluded.

**Tax Share of Bottom Half of Taxpayers**  
(1960-2002)



For a complete set of the new IRS data, please visit our website at <http://www.house.gov/jec>.

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