



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
October 16, 2000

Press Release #106-119
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NEW IRS DATA ON INCOME TAX SHARES NOW AVAILABLE — Tax Share of Top One Percent Climbs to 35 Percent —

WASHINGTON, D.C. – New Internal Revenue Service (IRS) data obtained by the Joint Economic Committee (JEC) show that the top one percent of tax filers paid 34.75 percent of federal personal income taxes in 1998, the latest year for which data are available, Vice Chairman Jim Saxton said today. The 1998 share paid by the top one percent (ranked by adjusted gross income) reflects an increase from the 33.17 percent level posted in 1997. The 4.21 percent share paid by the bottom half of taxpayers was virtually unchanged during this period. The new data provide the necessary context in which to evaluate claims about the supposed distributional impact of various tax policy proposals.

“The data publicly released by the JEC today reflects 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 concealed, producing misleading results. The bottom line is that these data are needed for an informed discussion of a wide array of tax issues.”

According to a letter to Saxton from the Director of the Statistics of Income Division (SOI/IRS), these data were also recently provided to the Office of Tax Analysis of the Treasury Department.

Percentiles Ranked By AGI	Adjusted Gross Income Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1 %	\$269,496	34.75
Top 5 %	\$114,729	53.84
Top 10 %	\$83,220	65.04
Top 20 %	\$50,607	82.69
Top 50 %	\$25,491	95.79
Bottom 50 %	< \$25,491	4.21

Source: IRS

For more information on taxation, please visit our website at www.house.gov/jec.

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