



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

**Congressman Jim Saxton
Ranking Republican Member**

PRESS RELEASE

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TAX SHARES OF TOP 1 PERCENT ARE HIGHER THAN IN 2000

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Contact: Christopher Frenze
Republican Staff Director
(202) 225-3923

WASHINGTON, D.C. -- The share of federal income taxes paid by the top 1 percent of households ranked by income increased from 36.5 percent in 2000 to 38.8 percent in 2005, recent Congressional Budget Office (CBO) data show. Their share of total federal taxes increased from 25.5 percent in 2000 to 27.6 percent in 2005, the last year for which data are available.

“Under the 2001 and 2003 tax cuts, the data show that the tax shares of the top 1 percent increased between 2000 and 2005 to historically high levels,” ranking member Jim Saxton of the Joint Economic Committee said today. “Despite the contention that the tax cuts would unfairly reduce the tax burden of the rich, their share of taxes has in fact gone up,” Saxton concluded.

Some have conceded the increase in the tax shares of the top 1 percent, but claim this is explained by a jump in the income share of the top 1 percent. However, the income share of the top 1 percent did not surge between 2000 and 2005, but was little changed at 17.8 percent and 18.1 percent respectively. This slight 0.3 percentage point rise in the income share of the top 1 percent between 2000 and 2005 is miniscule compared to the 2.6 percentage point increase between 1992 and 1997. Between 1992 and 2000, the income share of the top 1 percent climbed from 12.3 percent to 17.8 percent, an increase of 5.5 percentage points.

CBO data also show that the tax cuts helped middle income taxpayers. Median after-tax household income was at a record level of \$55,900 in 2005, according to CBO data requested by Congressman Saxton. The data also show that the effective federal tax rate of the middle fifth of households has fallen to its lowest levels since at least the late 1970s.

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