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JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW IRS DATA ON TAX SHARES NOW AVAILABLE

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WASHINGTON, D.C. – New [IRS data](#) show that the top half of taxpayers ranked by income continue to pay over 96 percent of Federal individual income taxes while the bottom half accounts for less than 4 percent, Chairman Jim Saxton said today. The newly released data are for tax year 2003.

The data confirm the highly progressive nature of the Federal income tax. The top one percent of tax filers paid more than one-third (34.27 percent) of Federal personal income taxes in 2003, while the top ten percent accounted for nearly two-thirds (65.84 percent) of these taxes.

The top half of taxpayers paid 96.54 percent of federal income taxes in 2003, up from 95.19 percent in 1993. The 3.46 percent share paid by the bottom half of taxpayers in 2003 compares to a 4.81 percent share in 1993.

“These IRS data show the steeply progressive nature of the Federal income tax,” Saxton said. “These data must be considered before any valid distributional evaluation of income tax proposals can be made. Unfortunately, tables and figures portraying tax policy changes as skewed are usually presented without disclosing the share of taxes actually paid by various income groups. The bottom line is that these data are needed for an informed discussion of tax policy issues. The tax shares already paid by various income groups largely determine the distributional outcomes of most major tax changes, 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%	\$295,495	34.27
Top 5%	\$130,080	54.36
Top 10%	\$94,891	65.84
Top 25%	\$57,343	83.88
Top 50%	\$29,019	96.54
Bottom 50%	<\$29,019	3.46

Source: IRS (Tax Year 2003)

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