



CONGRESS OF THE UNITED STATES

# JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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### FACTS ON INCOME TAX SHARES REFUTE ARGUMENT FOR TAX INCREASE

Press Release #108-98  
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WASHINGTON, D.C. – The contention that the current structure of the income tax is designed to favor the affluent is a myth refuted by IRS data, Vice Chairman Jim Saxton said today. According to the latest data available, the top one percent of tax filers ranked by income account for 33.9 percent of all personal income tax payments, while the top half account for 96.0 percent of these taxes. The bottom half of tax filers account for 4.0 percent of all income tax payments, excluding the impact of refundable tax credits that would further reduce this percentage. The threshold dividing the top and bottom halves of tax filers is an income level of \$28,528.

“There is a myth propagated by advocates of tax increases that our income tax system is skewed to favor the wealthy,” Saxton said. “However, the IRS statistics show that nearly two thirds of the income tax is paid by taxpayers with incomes in the top 10 percent of all tax filers, while the top half of tax filers bear 96% of the income tax burden. By the way, those in the top half are not necessarily rich, since the income threshold for inclusion is only \$28,528,” Saxton concluded.

Percentiles Ranked By AGI	Adjusted Gross Income Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1 %	\$292,913	33.89
Top 5 %	\$127,904	53.25
Top 10 %	\$92,754	64.89
Top 25 %	\$56,085	82.90
Top 50 %	\$28,528	96.03
Bottom 50 %	< \$28,528	3.97

Source: IRS, Tax Year 2001

For more information on the IRS data, distributional analysis, and tax policy, please visit our website at [www.house.gov/jec](http://www.house.gov/jec).

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