



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
July 2, 2003

**NEW IRS DATA ON TOP TAX
GROUP SHOW HIGH
TURNOVER**

**-- Less Than One Percent Consistently in Top
400 Group --**

Press Release #108-47
Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Stephen Thompson
Radio & T.V.
(202) 225-4765

WASHINGTON, D.C. – Turnover in the group of the top 400 taxpayers is extremely high, according to new tax data obtained by the Joint Economic Committee and released today by Vice Chairman Jim Saxton. Although changes in the income and taxes of the 400 highest income (adjusted gross income) taxpayers for years 1992-2000 have been reported as front page news in recent days, such comparisons are essentially meaningless because the membership of this group changes so dramatically every year. According to the new data, of 400 top tax returns in tax years 1992-2000, 75.7 percent would not have been among the top 400 more than once. Even more tellingly, less than one percent of the members of the top 400 were among this group every year from 1992 to 2000.

“The figures I am releasing today shed new light on the turnover of the affluent taxpayers recently studied by the IRS,” Saxton said. “Although there was some evidence that turnover in this group is quite high, the new numbers obtained from the IRS portray even greater mobility. These data provide yet another example of how important mobility is in reviewing tax and income data in context. As the IRS stated in the original study, ‘the data shown in the table represent a changing group of taxpayers over time, rather than a fixed group of taxpayers.’”

“Comparisons of income and taxes over several years simply aren’t meaningful when the membership of a group changes so drastically every year. It doesn’t make a lot of sense to compare the taxes of one group of people in one year to a mostly different group of people in another year. The bottom line is that there is no solid basis for such comparisons, which can yield misleading results. The membership of the group of 400 top taxpayers changes dramatically from one year to another,” Saxton concluded.

Top 400 Tax Returns by AGI, 1992 - 2000		
Frequency of Appearing in the Top 400 Between 1992 and 2000		
Returns and Primary Filers in Nine Years Between 1992 and 2000		Top 400 Returns
		Number Percent of Total
Number of Returns in All Nine Years		3,600
Number of Primary Filers Appearing In:		
Any Year	2,218	100.0%
One Year	1,679	75.7%
Two Years	252	11.4%
Three Years	94	4.2%
Four Years	52	2.3%
Five Years	42	1.9%
Six Years	36	1.6%
Seven Years	24	1.1%
Eight Years	18	0.8%
All Nine Years	21	0.9%

Source: IRS

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

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