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NEWS RELEASE

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**TARGETED TAXPAYERS PAY HIGHEST
SHARE OF INCOME TAX IN DECADES**

The share of total federal income taxes paid by the top 1 percent of tax filers increased to 40.42 percent in 2007, the tax share of the top 5 percent climbed to 60.63 percent, and that of the top 10 percent to 71.22 percent, according to new Internal Revenue Service (IRS) data. The tax shares are the highest on record for these groups based on comparable IRS data going back to 1986. The top 1 percent of taxpayers would bear the brunt of the surtax proposed by Congressional Democrats to help pay for their flawed health care proposal.

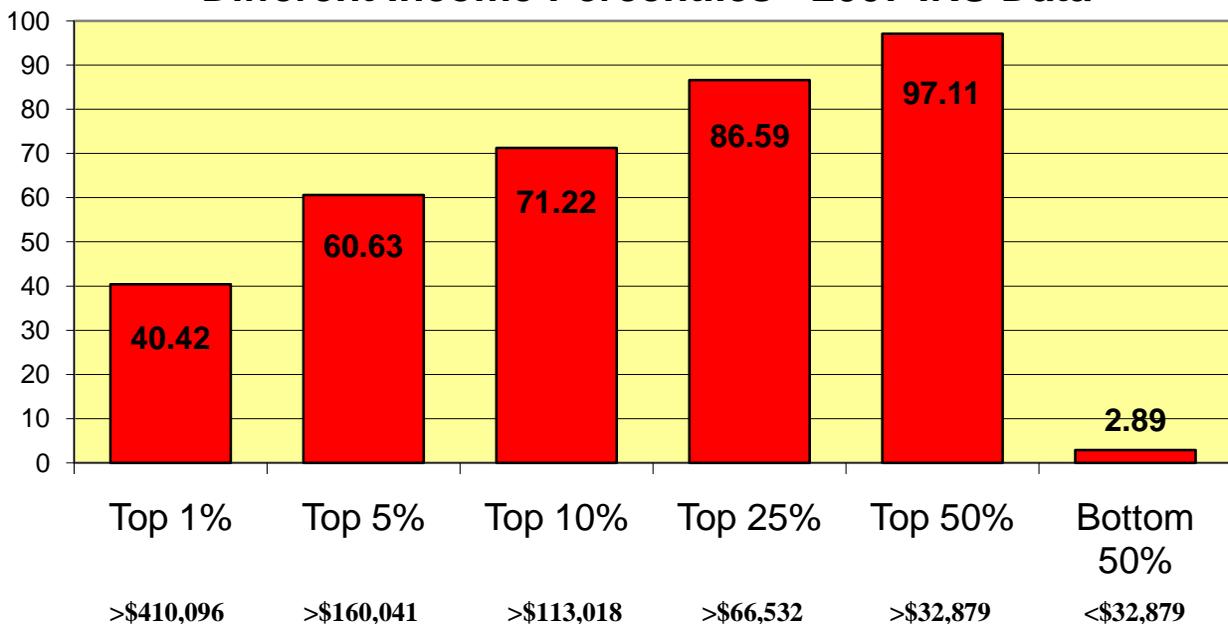
The latest IRS data also show that the share of the income tax burden borne by the top half of tax filers continues to rise and now stands at 97.11 percent. The share of the bottom half of tax filers has fallen to a level of 2.89 percent, its lowest level since at least 1986.

The share of income generated by the top one percent increased from 20.81 percent in 2000 to 22.83 percent in 2007, an increase of 2.02 percentage points; during this same period their share of income taxes increased by a greater amount, 3.00 percentage points.

In examining recent trends in the income share of the top 1 percent, what is most striking is its sharp rise during the 1990s. For example, between 1992 and 2000, the top 1 percent's share of income jumped from 14.23 percent to 20.81 percent, an increase of nearly 7 percentage points, before slipping in 2001 and 2002. These data show that the most significant increases in this income share occurred in the 1990s, not in more recent years.

In sum, the rise in the income tax share of the top one percent significantly exceeded the increase of the income share. Much of this income gain was due to the asset bubble, which has now burst.

**Percent of Federal Personal Income Tax Paid by
Different Income Percentiles - 2007 IRS Data**



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