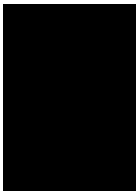




Effective Federal Tax Rates, 1997 to 2000

August 2003

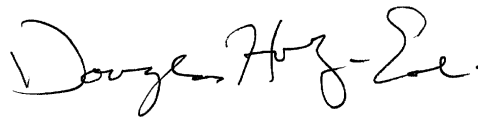


Preface

This Congressional Budget Office (CBO) paper presents estimates of effective federal tax rates—tax burdens measured as a percentage of income—from 1979 through 2000, updating CBO’s October 2001 report *Effective Federal Tax Rates, 1979-1997*. In addition to providing information for three more years, this analysis employs a revised methodology for combining data from the Bureau of the Census and the Internal Revenue Service that underlie the calculations and consequently revises some of CBO’s previously published estimates. The analysis includes information on the four major federal taxes—individual income taxes; corporate income taxes; social insurance, or payroll, taxes; and excise taxes—separately and in combination. Along with providing the effective tax rate measures, the paper presents estimates of the number of households that pay more income taxes than payroll taxes.

Edward Harris, David Weiner, and Roberton Williams of CBO’s Tax Analysis Division wrote the paper under the direction of G. Thomas Woodward. Robert Carroll, Robert Dennis, Arlene Holen, and Kurt Seibert reviewed drafts of the paper and provided valuable comments.

Leah Mazade edited the paper, and John Skeen proofread it. Denise Williams produced drafts of the manuscript. Lenny Skutnik printed the paper, and Annette Kalicki prepared the electronic versions for CBO’s Web site (www.cbo.gov).



Douglas Holtz-Eakin
Director

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Effective Federal Tax Rates, 1997 to 2000

Taxes extract resources from the private sector to use for public-sector activities. That process directly transfers control over those resources from the taxpayers to the government. But those who bear the ultimate liability for a tax may differ substantially from those who initially remit it. For example, households—either as owners, employees, creditors, or customers—must ultimately bear the cost of the taxes imposed on firms.¹ Moreover, the imposition of taxes induces a wide variety of economic responses by households and businesses, which may further shift the taxes' burden. Households may elect different retirement dates, alter the number of individuals working and their hours, change decisions about purchases, save more or less, rebalance their portfolios, or engage in a myriad of other behaviors. Firms may raise the prices of their products, alter their wage and nonwage compensation (such as fringe benefits), or shift their investment plans, among other actions. As a result of those responses and their interactions, taxes also alter how much pretax income households reap from their labor supply, the amount that they save, and the prices they must pay for their purchases.

When a household's income falls or the cost of its purchases rises as a consequence of a tax, the household effectively bears at least part of the liability for the tax even if another household or firm actually remits the tax payment. Effective tax rates measure the effective liability for taxes as a percentage of household income. This paper updates the Congressional Budget Office's (CBO's)

October 2001 study *Effective Federal Tax Rates, 1979-2000*, extending that analysis through tax year 2000. In addition, CBO's new work incorporates a revised methodology for combining data used in producing the estimates from the Internal Revenue Service's Statistics of Income and the Current Population Survey, compiled by the Bureau of the Census. As was the case with the earlier study, this analysis focuses on effective tax rates measured year by year; it does not examine how tax rates change over time for individual taxpayers, does not assess tax rates measured over periods longer than a year, and focuses on effective average tax rates (taxes as a percentage of income) as opposed to effective marginal tax rates (the tax paid on the last dollar of income).

Major Findings of the Analysis

In the late 1990s, households experienced only small changes in effective tax rates. Between 1997 and 2000, the overall effective federal tax rate dipped slightly in the first year before climbing to a level in 2000 that was 0.2 percentage points above that in 1997 (*see Figure 1*).² In each of the four years, the overall effective tax rate was higher than in any year since 1979, peaking at 23.1 percent in 2000. That rising rate resulted at least partly from the tax code's progressive rate schedule and the continued growth of pretax household income, the average of which reached an all-time high of \$74,100 in 2000—11 percent above its level in 1997 of \$66,700 (expressed in 2000 dollars).

1. For the purposes of this analysis, households are defined as people who share a single housing unit, regardless of the relationships among them.

2. By "overall," this paper refers to the taxes collected from the four largest sources of federal revenues: individual and corporate income taxes, payroll taxes, and excise taxes. It does not include estate and gift taxes, customs duties, or other miscellaneous collections. CBO's measure comprises about 95 percent of federal revenues.

Those overall trends were not uniform across the income distribution. The effective tax rate borne by households in the lowest fifth, or quintile, of the distribution climbed by 0.6 percentage points—from 5.8 percent in 1997 to 6.4 percent in 2000 (*see Figure 2*). In contrast, the rate faced by households in the middle quintile fell by 0.7 percentage points—from 17.4 percent to 16.7 percent. The top quintile's effective tax rate was a steady 28.0 percent in both 1997 and 2000. The biggest reduction in rates was found among households in the top 1 percent of the income distribution: the effective rate for those households fell by 1.7 percentage points to 33.2 percent in 2000. That drop in rates resulted from a reduction in the effective corporate income tax rate faced by those households.

The increase in the overall effective tax rate stemmed from a rise of 0.8 percentage points in the effective individual income tax rate that was offset by smaller declines in the effective rates on payroll and corporate income taxes (*see Figure 3*). Two factors contributed to the uptick in individual income tax rates. First, real (inflation-adjusted) income growth pushed more households into higher tax brackets, a phenomenon known as “real bracket creep.” Second, reported income at the upper end of the income distribution grew disproportionately quickly, making a larger share of income subject to the higher rates of the top tax brackets.³ Effective individual income tax rates rose (became less negative) for households in the lowest income quintiles and rose for those in the highest quintiles. They were nearly constant for households in the fourth quintile and fell for those in the second and middle quintiles (*see Figure 4*).⁴

3. The income measure that CBO used in its analysis includes all cash income reported on federal tax returns, including realized capital gains and exercised stock options. To the extent that the latter sources represent income that may have been earned over a period longer than the single years in which it is reported, their inclusion may have led CBO to overstate annual income and misclassify households in the income distribution. At the same time, CBO's analysis also omits accrued but unrealized gains and may therefore understate income in years in which gains are not realized.

4. Note that the effective individual income tax rate for households in the lowest quintile was negative because of the refundability of the earned income tax credit. For that quintile, the effective tax rate became less negative from 1997 to 2000.

Effective rates for other taxes showed little change between 1997 and 2000, almost regardless of income level. Social insurance, or payroll, tax rates were roughly constant for all households except those in the highest quintile, for which the cap on Social Security taxes limits the growth of payroll tax liability (*see Figure 5*). The effective corporate income tax rate fell slightly in every year between 1997 and 2000; the largest percentage-point decline occurred among the highest income categories (*see Figure 6*). Finally, the effective federal excise tax rate during that period shifted by no more than 0.1 percentage points for any income group and was constant across all four years for households with the highest income (*see Figure 7*).

Average real pretax reported income increased by 11 percent between 1997 and 2000 (*see Figure 8*). However, all quintiles did not see the same percentage rise. For households in the lowest quintile, average income grew by 3 percent, compared with 17 percent for those in the highest quintile. That unequal growth was observed as well in the top percentiles of the income distribution: average income for the top 10 percent of households climbed 20 percent over the three years but jumped 34 percent for the 1 percent of households with the highest income (*see Figure 9*).

Because of the rapid growth of reported income for that 1 percent of households—and despite the decline in their effective tax rate—the share of taxes paid by the wealthiest households increased from 22.7 percent of all federal revenues in 1997 to 25.6 percent in 2000 (*see Table 1*). Other households in the top 10 percent of the income distribution experienced a small increase in their tax share. The larger share paid by the wealthiest households was balanced by decreases in the shares paid by households in the middle three quintiles and the lower half of the highest quintile. The share of taxes that households in the lowest quintile accounted for did not change over the period.

Comparing Income and Payroll Tax Liabilities

Most households pay more payroll taxes than income taxes; in 2000, nearly 71 percent of households did so (*see Table 2*). (*Table C-1* provides data for the full 1979–2000 period.) That statistic counts both the employee

and employer shares of payroll taxes—because, as most economists conclude, workers bear the full cost of such taxes.⁵ The percentage of households whose payroll taxes exceed their income taxes has fallen somewhat below the 1994 peak of 73.6 percent but has been consistently above 70 percent since 1998.

Low-income households are much more likely than their wealthier counterparts to pay payroll taxes that exceed their income taxes. In 2000, nearly 98 percent of households in the lowest income quintile paid more payroll than income taxes, compared with about 78 percent of households in the middle quintile and 26 percent in the top quintile. Those differences stem partly from the low or negative income tax rates faced by low-income households and partly from the cap on Social Security levies, which limits the payroll taxes that households in the highest income quintile pay.⁶

Changes in Methodology

The statistics reported in this paper differ from the comparable numbers in CBO's earlier study because of changes in the methodology used to create the data set for the analysis. (*Appendix A* discusses those changes in more detail.) Although this paper focuses on changes in effective tax rates between 1997 and 2000, it also reports rates based on the new methodology for all years from 1979 through 2000 (*see Appendix B*). For consistency's sake, readers who wish to compare rates over time should use only data from the appendix and not attempt to link that information to the data reported in the 2001 study. CBO anticipates that subsequent updates to its current estimates will use the new methodology and may thus be spliced onto the series in *Appendix B*.

The methodologically induced disparities between the statistics reported here and in the 2001 study are of several kinds. Among the most important are an increase in the share of total income going to the lowest quintile in virtually all years and a rise in the shares of total

federal taxes being borne by households in the lower income quintiles. In addition, the new methodology yields counts of households that are lower in most years than the counts produced under CBO's former procedures. Those lower totals stem from increases in the number of households with children and of elderly childless households that were more than offset by reductions in the number of nonelderly childless households.

Measuring Tax Rates and Income

The primary focus of this update is effective tax rates. Those rates may vary, depending on the measure of income used to calculate them. CBO based this analysis on adjusted pretax comprehensive household income. That measure includes all cash income (both taxable and tax-exempt), taxes paid by businesses (which are imputed to individuals on the basis of assumptions about incidence), employee contributions to 401(k) retirement plans, and the value of income received in kind from various sources (including employer-paid health insurance premiums, Medicare and Medicaid benefits, and food stamps, among others). There are various ways to measure the value of benefits received in kind; CBO used the Census Bureau's fungible value measure to determine the cash equivalent of in-kind government transfers. (In the case of Medicare, for example, the cash value for high-income households would equal the benefit's insurance value—that is, the average cost to the government of providing the benefit. For a low-income household, which would spend little on health care in the absence of the program, the fungible value would be much less than the insurance value.) Once a household's comprehensive income had been totaled, CBO then adjusted it for differences in household size.

The comprehensive household income measure comprises income from more sources than people often consider in assessing their well-being. The use of the household (as opposed to the family or individual) as the unit of analysis, the inclusion of benefits received in kind, and the adjustment for household size further distance the measure from popular conceptions. As a result, the effective tax rates reported in this paper may appear to be lower than an individual's own estimates, and measured income may seem to be higher. CBO's earlier study compared the comprehensive household income measure

5. If only the employee share of payroll taxes is included, just under half of households pay more payroll taxes than income taxes. In 2000, about 45 percent of households did so.

6. In 2000, for example, Social Security taxes applied only to the first \$76,200 of earnings.

with alternative income gauges to assess how the choice of measure affects calculated effective tax rates.⁷

The income measure used in an analysis of effective tax rates also affects how households are ranked within the income distribution. Counting income from more sources moves households with income from those sources up in the distribution relative to those not receiving such income. Using households rather than families as the unit of analysis generally lifts people in multifamily households up in the distribution ahead of some people in single-family households.⁸ And adjusting income to account for the greater needs of larger households drops those larger households down in the income distribution and consequently pushes smaller ones up.

CBO's analysis assumed that households bear the burden of the taxes they pay directly (for example, individual income and payroll taxes). Excise taxes were assumed to be borne by households according to their consumption of taxed goods (tobacco and alcohol) or—in the case of excise taxes that affect intermediate goods—in proportion to overall consumption.⁹ Taxes on businesses were attributed to households. CBO assumed, as do most economists, that the employer share of payroll taxes falls on employees and therefore that the amount of those taxes should be included in employees' income and the taxes counted as part of employees' tax burden. Economists find less consensus on the ultimate incidence of corporate income taxes. For this analysis, CBO considered the taxes to be borne by owners of capital under the assumption that the taxes affect the way capital is allocated between the corporate and noncorporate sectors of the economy, which influences the rate of return on

all capital. CBO allocated corporate tax liabilities to households in proportion to their income from interest, dividends, rents, and capital gains.

Most of the results of CBO's analysis are reported for both the entire population and for parts of the income distribution. Quintiles form the basic groups of interest. However, many tables also include information about households in the top 10 percent, top 5 percent, and top 1 percent of the income distribution. That breakdown reveals the effects of the disproportionately rapid growth of reported income—and hence of tax liabilities—occurring over the past two decades at the distribution's top. The analysis does not show a comparable subdivision of the lowest quintile because effective tax rates and income moved in similar ways for households in different parts of that income group.

Quintiles contain equal numbers of people. However, because households vary in size, quintiles generally contain unequal numbers of households. Some of the statistics that CBO presents are broken down further by the type of household: those with members under age 18 (households with children), those headed by a person age 65 or older and with no member under age 18 (elderly childless households), and all others (nonelderly childless households). The income and size of households vary more widely across those three groups than across all households—which means that the distributions of specific types of households among quintiles are more unequal than the distribution of all households.

Cautionary Notes

Caution should be exercised in interpreting trends in tax rates and income on the basis of the results of CBO's analysis, for a number of reasons. First, the analysis compares income groups over time, showing how effective tax rates and income have changed for each quintile. But the composition of quintiles changes from year to year. Over time, people join and leave households, enter and leave the labor force, and undergo other changes that can alter their position in the income distribution. Trends in tax rates and income that are discussed in this paper reflect what has happened to people in the same parts of the distribution over time, not what has happened to the same people.

7. For a more detailed discussion of income measurement and tax incidence issues, see Congressional Budget Office, *Effective Federal Tax Rates, 1979-1997* (October 2001), Chapter 3.

8. Some nonfamily members of households have no income and therefore do not increase total household income. In such cases, using households rather than families as the unit of analysis does not affect the unit income for the family but does move the nonfamily member without income up in the income distribution.

9. An example of an excise tax that affects intermediate goods is the tax on diesel fuel, which increases transportation costs for many other goods.

Second, expanding the income measure for calculating effective tax rates to include taxes paid by businesses, employee contributions to 401(k) plans, and in-kind benefits may make that measure broader than what many people think of when they consider their own income. As a result, it may be difficult for readers to determine their own placement within the reported distributions.

Third, adjusting income for the size of households in order to rank them largely reorders those units within the income distribution. Consequently, total household income can vary markedly among households of different sizes, even though they are close to each other in the distribution. Statistics based on household cash income that is not adjusted for household size and that omits in-kind income may provide information that is more consistent with how most people think about their own tax and income situations. Such information is absent from this analysis but was examined in CBO's earlier study.¹⁰

A fourth issue involves drawing conclusions on the basis of overall statistics that mask or even misrepresent information about subgroups or specific taxes. For example, the total effective federal tax rate can rise between any two years, even if effective rates for households in every income quintile fall. If income grows more rapidly for higher-income households facing higher tax rates than it does for other households, the total effective rate rises, even if tax rates do not change for income subgroups.

A fifth point is that different views of the data, although consistent, may seem to yield contradictory conclusions. An increase in the share of federal taxes paid by a given quintile, for example, need not mean that the quintile's effective tax rate rose or that the distribution of after-tax income changed in either direction. Different rates of growth of income among quintiles can drive results in directions that are not apparent in particular statistics, such as the shares of taxes paid.

Finally, any choice of a period over which to assess changes in effective tax rates or income is arbitrary. This

paper mainly reports the changes that occurred over the 1997-2000 period, the first year of which was the last year examined in CBO's 2001 analysis. Changes over other periods may show markedly different patterns. For example, between 1997 and 2000, the effective federal tax rate for households in the lowest quintile rose by 0.6 percentage points; in contrast, between 1993 and 2000, that measure fell by 1.6 percentage points. The most appropriate period for analysis depends on the question being posed. (The tables in Appendix B provide estimates of tax rates and income for every year of the 1979-2000 period and thus allow the reader to evaluate changes between any pair of years.)

Limitations of the Analysis

This paper focuses on the effective rates of the taxes that constituted the four largest sources of federal revenues between 1997 and 2000. Considering only those revenue sources (individual and corporate income taxes, payroll taxes, and excise taxes) omits the 5 percent of revenues that derive from estate and gift taxes, customs duties, and other miscellaneous sources. Furthermore, an integral component in examining effective tax rates is the changing distribution of income among households over the three-year period. To provide a context for those changes, CBO's analysis includes data showing how the shares of income and tax liabilities for segments of the income distribution have changed during the past two decades.

The study's focus on effective tax rates means that it is not a comprehensive analysis of the federal tax system. In particular, it does not examine how various taxes affect people's behavior and therefore does not report the tax rates that people face on their last dollar subject to tax (the marginal rates). Nor does the study look at the benefits households receive—in the form of goods, services, and transfer payments—that are funded by the taxes they pay. For example, the analysis considers the burden of the Social Security payroll tax but does not take into account the benefits that workers who are currently paying the tax will receive during retirement. And although the measures of income that the study uses include government transfers, both in cash and in kind, those benefits are not balanced against tax liabilities. The data thus do not directly reveal any ties between the taxes

10. See Congressional Budget Office, *Effective Federal Tax Rates, 1979-1997*.

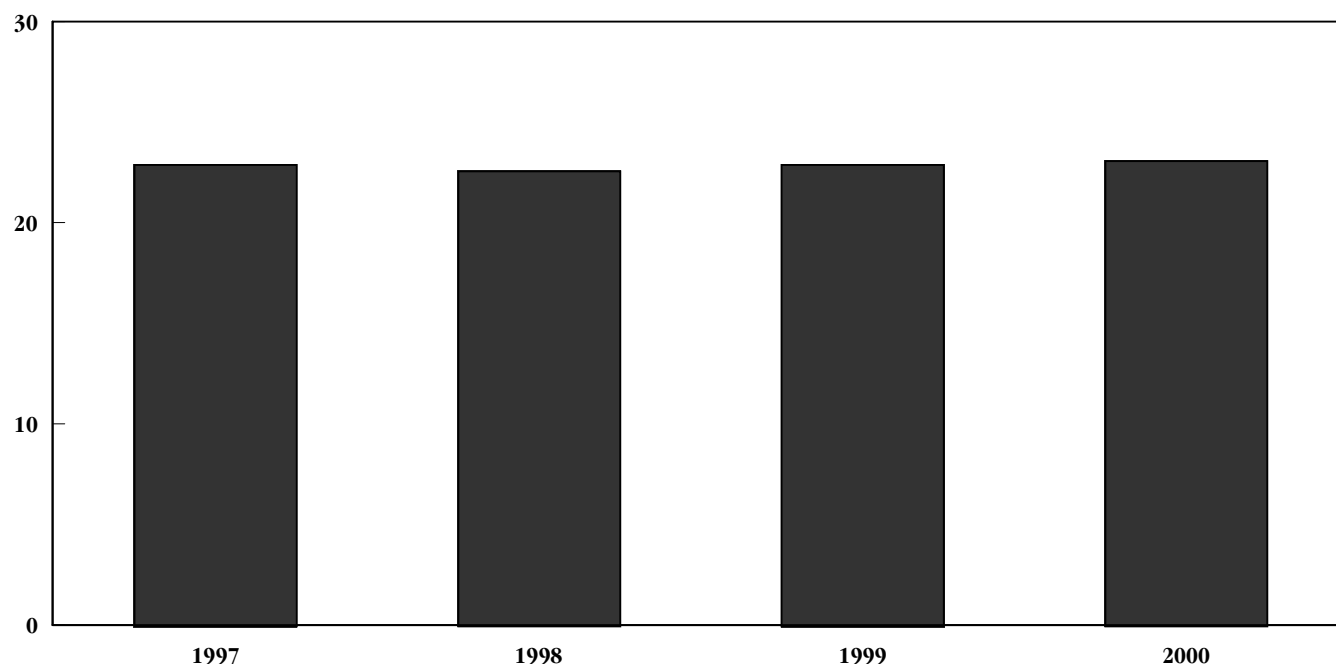
people pay and the benefits they receive, even if a direct connection exists.

Finally, the study looks only at annual income and taxes. A better indication of the burden of taxes on households at different positions in the income distribution would

cover a longer period—ideally, each person’s lifetime. That kind of time frame would remove the effects of year-to-year variations and avoid the problem that information about a single year might differ markedly from average values for longer periods.

Figure 1.**Effective Federal Tax Rates, 1997 to 2000**

(Percent)



Source: Congressional Budget Office.

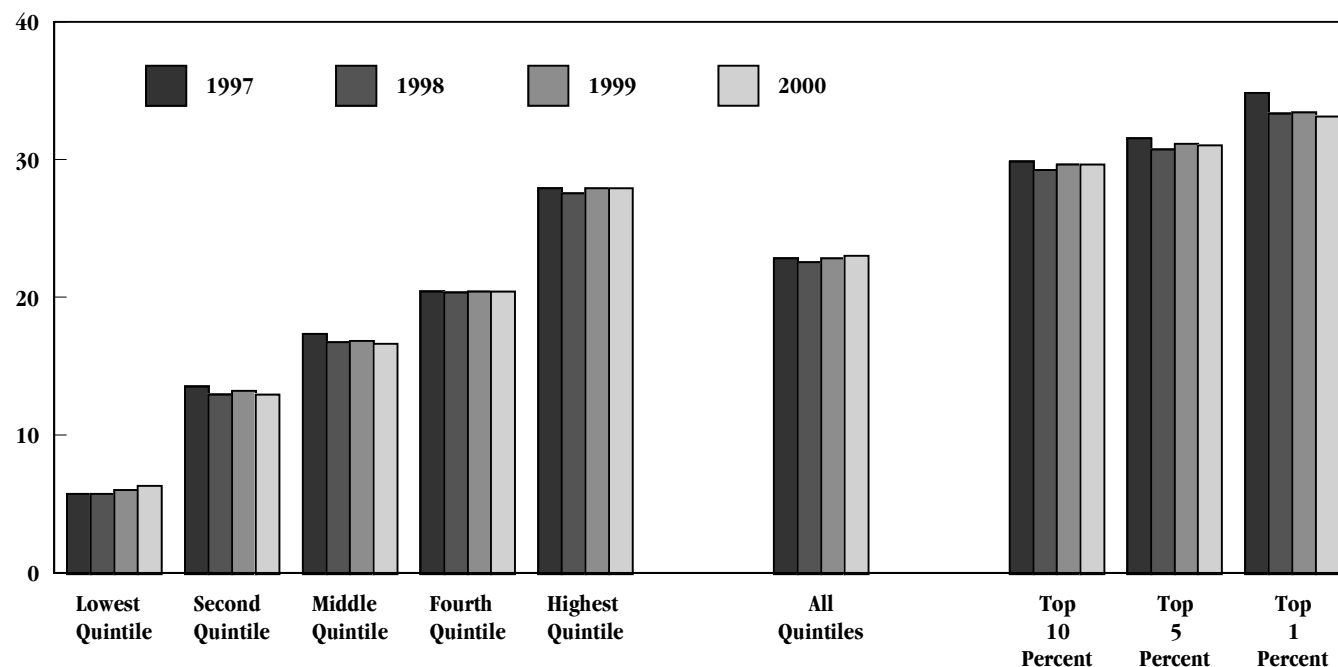
Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Figure 2.**Effective Federal Tax Rates, by Household Income Category, 1997 to 2000**

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

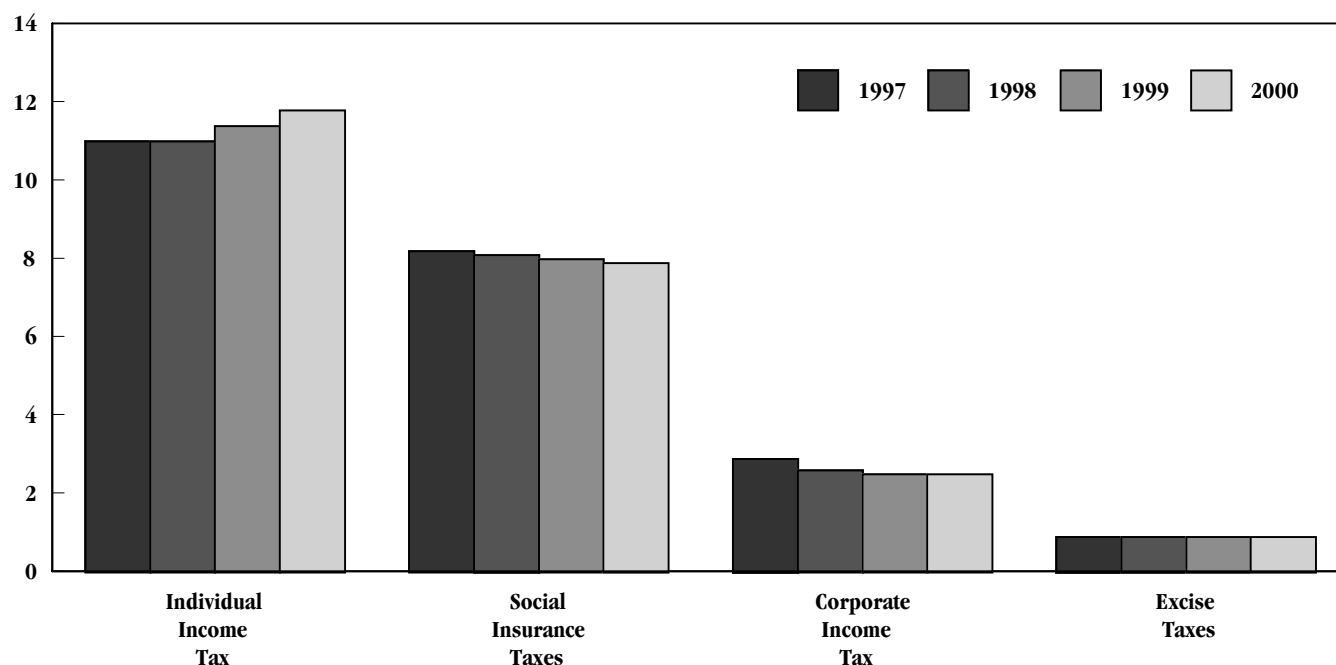
The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Figure 3.**Effective Federal Tax Rates, by Revenue Source, 1997 to 2000**

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

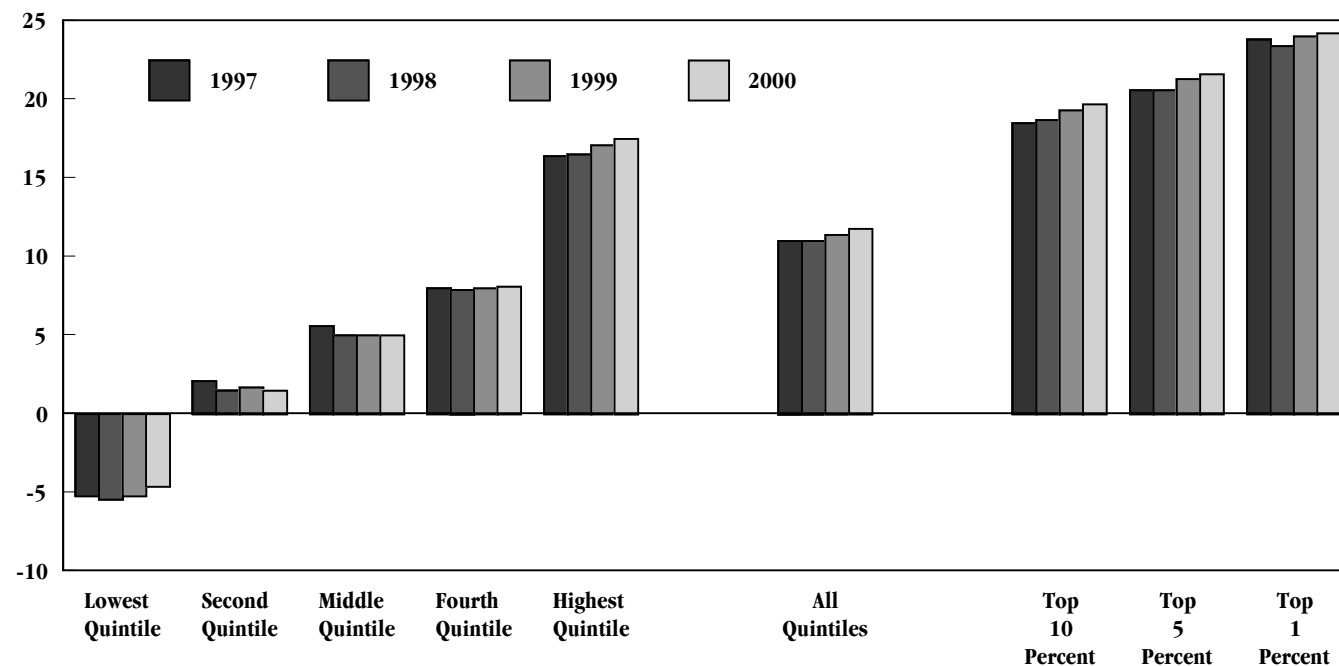
The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Figure 4.

Effective Federal Individual Income Tax Rates, by Household Income Category, 1997 to 2000

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

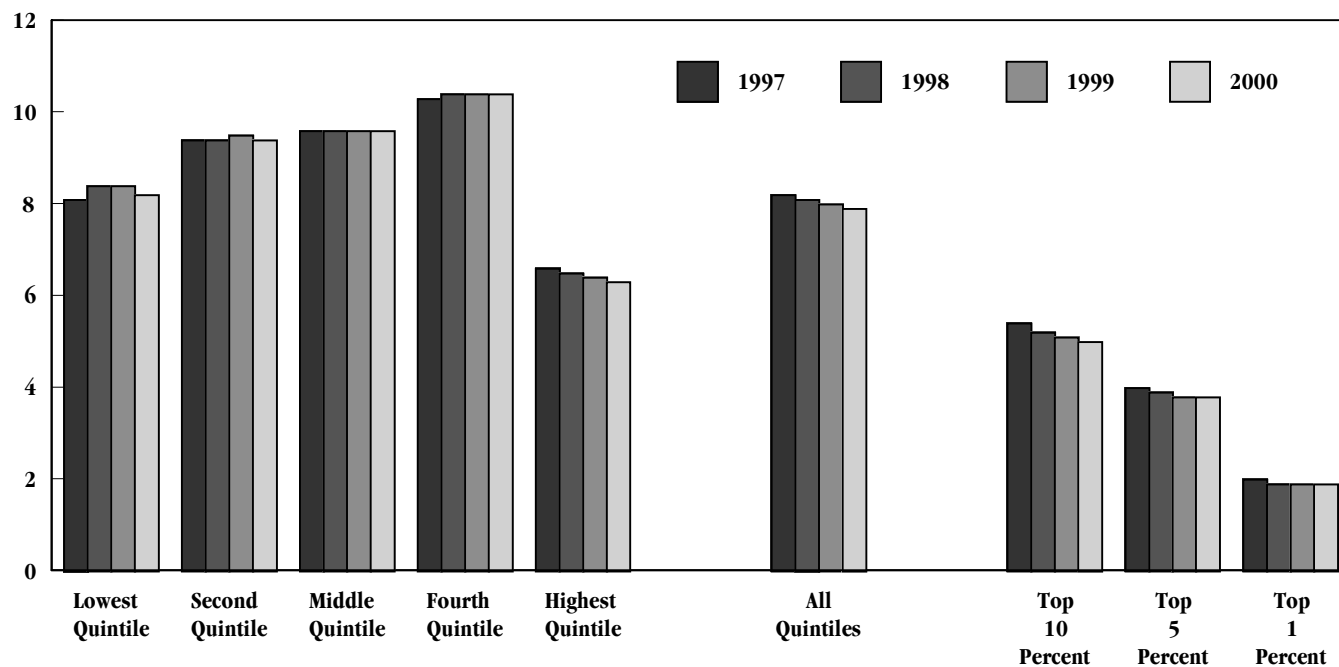
Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes.

Figure 5.

Effective Federal Payroll Tax Rates, by Household Income Category, 1997 to 2000

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

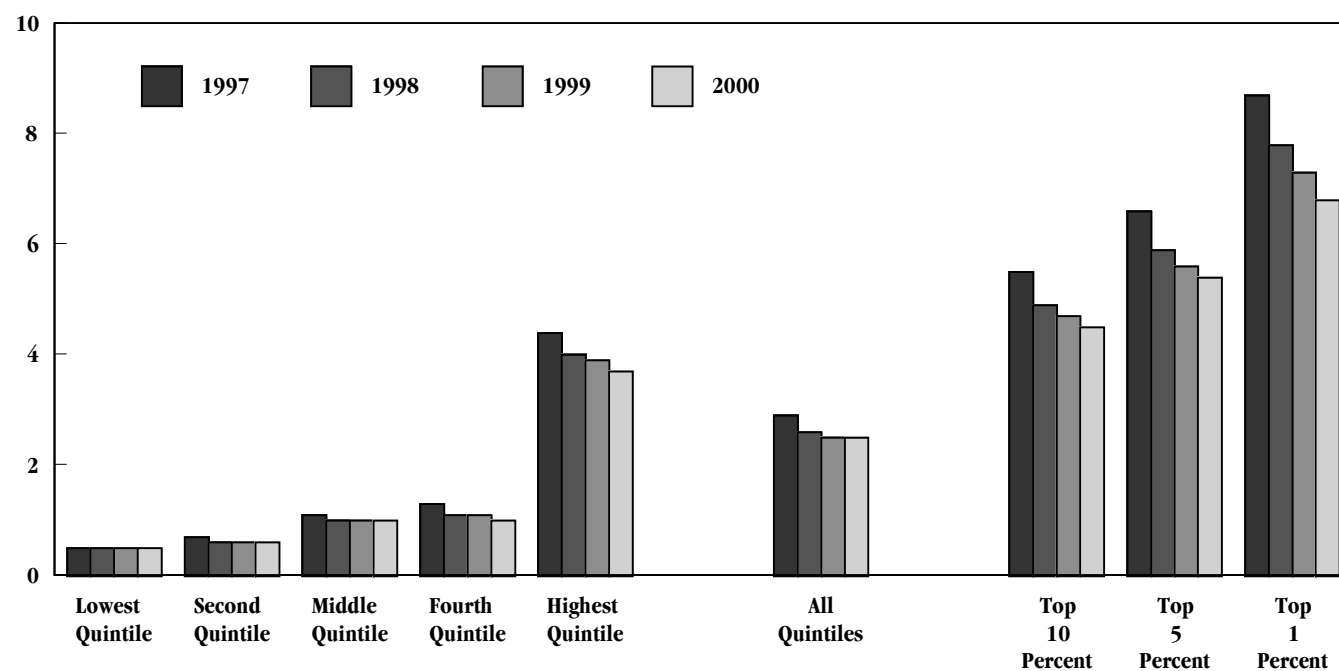
Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers.

Figure 6.

Effective Corporate Income Tax Rates, by Household Income Category, 1997 to 2000

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

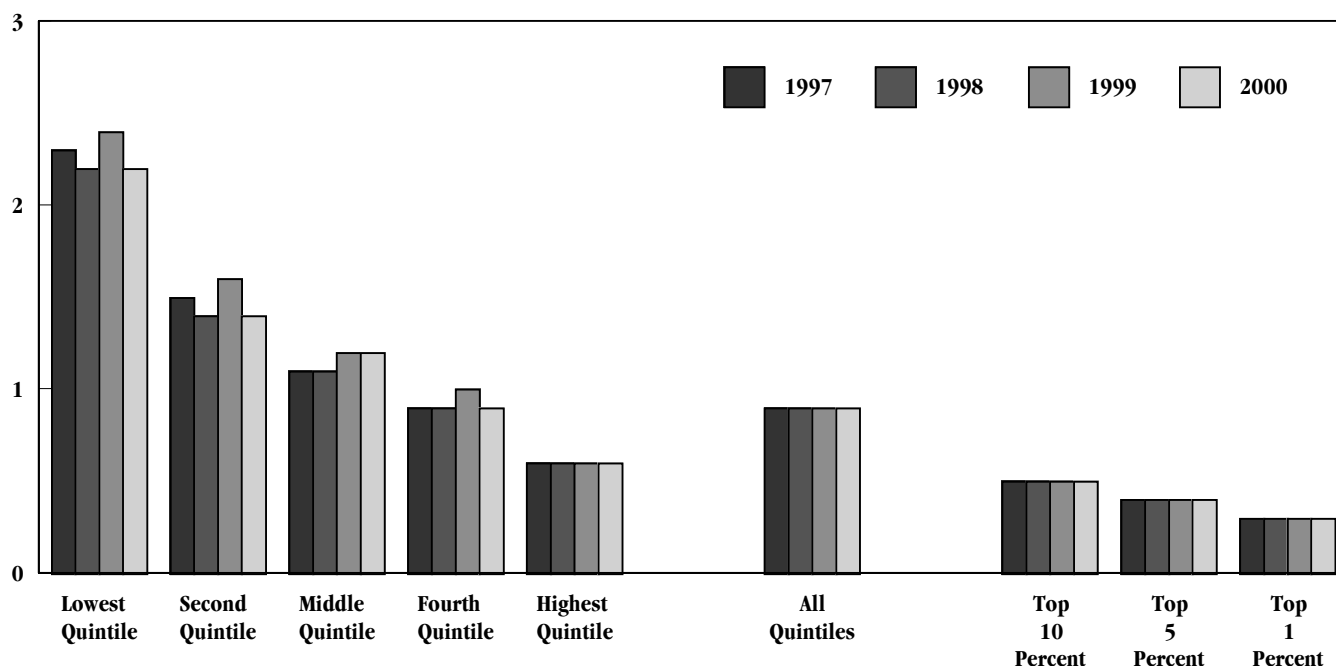
The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Corporate income taxes are distributed to households according to their share of capital income.

Figure 7.**Effective Excise Tax Rates, by Household Income Category, 1997 to 2000**

(Percent)



Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

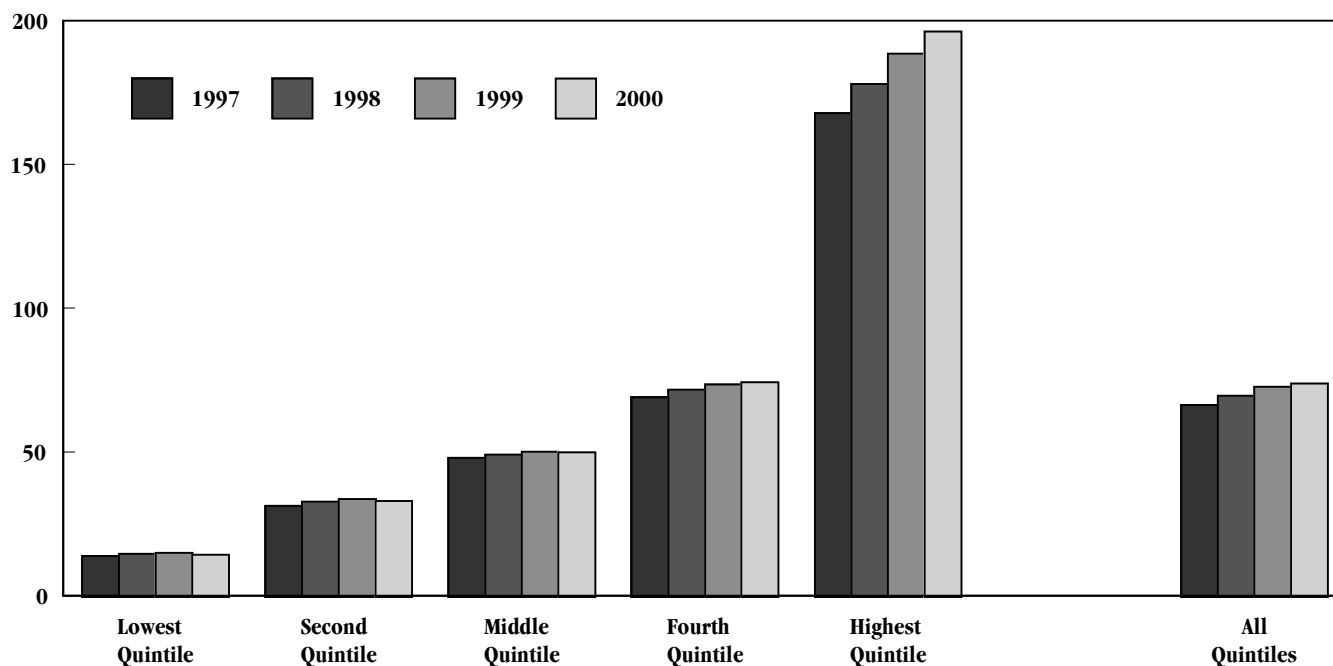
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Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Figure 8.

Average Pretax Household Income, by Household Income Category, 1997 to 2000

(Thousands of 2000 dollars)



Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

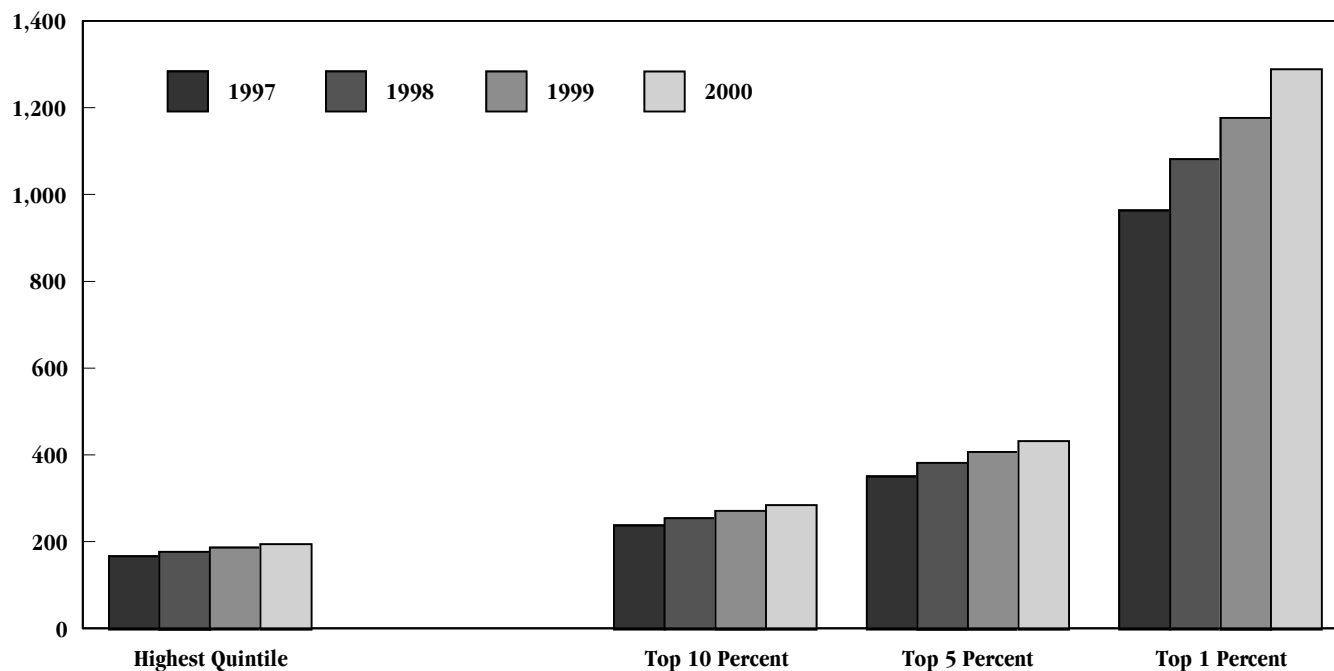
The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Figure 9.

Average Pretax Income for High-Earning Households, by Selected Income Categories, 1997 to 2000

(Thousands of 2000 dollars)



Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Table 1.**Shares of Federal Tax Liabilities for All Households,
by Household Income Category, 1997 to 2000**

Income Category	1997	1998	1999	2000
Lowest Quintile	1.1	1.1	1.1	1.1
Second Quintile	5.4	5.2	5.2	4.8
Middle Quintile	10.8	10.5	10.2	9.8
Fourth Quintile	18.3	18.2	17.8	17.4
Highest Quintile	64.2	64.9	65.6	66.7
All Quintiles	100.0	100.0	100.0	100.0
Top 10 Percent	49.3	49.9	51.0	52.2
Top 5 Percent	38.3	38.9	40.2	41.4
Top 1 Percent	22.7	23.3	24.3	25.6

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table 2.
**Percentage of Households Whose Payroll Taxes Exceed
Their Income Taxes, by Household Income Quintile, 2000**

Income Category	Individuals and Families Who Pay Income or Payroll Tax		Individuals and Families Who Pay Some Payroll Tax	
	Employee and Employer Share	Employee Share Only	Employee and Employer Share	Employee Share Only
Lowest Quintile	97.7	96.1	99.3	97.6
Second Quintile	91.8	74.2	96.8	78.2
Middle Quintile	78.3	41.4	90.9	48.0
Fourth Quintile	73.5	17.0	80.8	18.7
Highest Quintile	26.3	2.8	29.3	3.1
All Quintiles	70.6	41.3	77.2	45.2

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers.

A

Methodology

The Congressional Budget Office's (CBO's) analysis of effective tax rates draws information on income, taxes, and consumption from multiple sources. The Statistics of Income (SOI), produced by the Internal Revenue Service, reports much of the information that taxpayers provide on their individual income tax returns. The March supplement to the Bureau of the Census's Current Population Survey (CPS) contains survey data on both the demographic characteristics and income of a large sample of households. The Consumer Expenditure Survey (CEX), created by the Bureau of Labor Statistics, provides information about the consumption patterns of surveyed households. CBO combines the information it gathers from all three sources into a single file of consistent data on income, taxes, and consumption.

Recently, CBO changed the procedure that it uses to combine data from the three sources. Prior analyses of effective tax rates used the CPS as the base data source, adjusting its income data to reflect the levels and distributions in the SOI and imputing certain types of income and deductions from the SOI. In contrast, the new methodology introduced in this analysis relies more directly on the SOI's information by statistically matching each SOI record to a corresponding CPS record on the basis of demographic characteristics and income.

The matching process begins by dividing all records in both the CPS and the SOI into demographic subgroups on the basis of family composition, including the marital status of the head of the family and the number of children. Because income measures in the SOI and CPS are not directly comparable, CBO employs a regression equation for each demographic subgroup, which is estimated using data from the SOI, to calculate a predicted

income for each record for each source of data. All CPS and SOI records are ranked by predicted income within demographic subgroups, and the two files are then matched, starting at the top of the income distribution: the SOI record with the highest predicted income is matched with the CPS record with the highest predicted income—after their sample weights are taken into account.¹ The SOI record with the next highest predicted income is then matched with the corresponding CPS record, and the process is repeated until all SOI records in the demographic subgroup have been paired with CPS records.

Each pairing results in a new record that takes on the demographic characteristics of the CPS record and the income reported in the SOI. Some types of income, such as most transfer payments and in-kind benefits, appear only on the CPS; values for those items are drawn directly from that survey. Because not all households have to file tax returns, some households do not appear on the SOI; thus, the CPS reflects more households. After all SOI records have been matched to CPS records, the remaining survey records are recorded as nonfilers, and the income values are taken directly from the CPS. Finally, CBO assigns information about consumption to each record on the combined file by using data from the CEX.

1. Because neither the SOI nor the CPS contains a representative distribution of the relevant population, each record is assigned a sample weight indicating its relative size in making up the entire population represented by the database. The matching process takes account of those weights by effectively considering each record to be replicated by the number of times indicated by its weight.

The new methodology has two advantages over the old approach. First, because it takes income data directly from the SOI, it maintains the relationships shown on tax returns between income from different sources as well as the tax liabilities that such income generates. Second, the new procedure is likely to provide estimates that are more consistent over time because it uses actual income rather than roughly adjusting income data from the CPS to reflect distributions that appear in the SOI.

One recurring effect of the old methodology was that it reduced income data used to calculate rates for the lowest-

income households to less than the amounts shown in the CPS. Because CBO's new approach takes those data directly from the CPS, its revised estimates of income and taxes show greater growth of income for low-income households during the 1990s than did the estimates derived by using the old methodology. CBO's new procedures had only small effects on measured levels and trends in incomes and tax rates for households in higher-income groups.

B

Distributional Estimates by Income Category, 1979 to 2000

The tables in this appendix present effective tax rates for all years from 1979 through 2000 using CBO's revised methodology. *Tables B1-A* through *B1-C* display rates for all households, and *Tables B2-A* through *B2-C* cover households with children. Effective rates for elderly

childless households are listed in *Tables B3-A* through *B3-C*, and *Tables B4-A* through *B4-C* show rates for nonelderly childless households. The income measure used is comprehensive household income adjusted for household size.

Table B1-A.

Effective Federal Tax Rates for All Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Effective Tax Rate										
Lowest Quintile	8.0	7.7	8.3	8.2	9.1	10.2	9.8	9.6	8.7	8.5
Second Quintile	14.3	14.1	14.7	13.8	13.7	14.6	14.8	14.8	14.0	14.3
Middle Quintile	18.6	18.7	19.2	17.9	17.5	18.0	18.1	18.0	17.6	17.9
Fourth Quintile	21.2	21.5	22.1	20.6	20.1	20.4	20.4	20.5	20.2	20.6
Highest Quintile	27.5	27.3	26.9	24.4	23.9	24.3	24.0	23.8	25.8	25.6
All Quintiles	22.2	22.2	22.4	20.7	20.4	21.0	20.9	20.9	21.6	21.8
Top 10 Percent	29.6	29.0	28.2	25.3	24.8	25.2	24.7	24.3	27.2	26.7
Top 5 Percent	31.8	30.8	29.4	26.0	25.6	26.1	25.4	24.6	28.5	27.8
Top 1 Percent	37.0	34.6	31.8	27.7	27.7	28.2	27.0	25.5	31.2	29.7
Effective Individual Income Tax Rate										
Lowest Quintile	0	0.2	0.5	0.4	0.4	0.7	0.5	0.4	-0.6	-1.1
Second Quintile	4.1	4.5	4.8	4.2	3.8	4.0	4.0	4.0	3.2	3.1
Middle Quintile	7.5	8.0	8.3	7.4	6.7	6.7	6.6	6.5	5.8	5.9
Fourth Quintile	10.1	10.7	11.1	10.0	9.1	8.9	8.8	8.8	8.1	8.3
Highest Quintile	15.7	16.5	16.7	15.3	14.2	14.1	14.0	14.2	14.9	14.9
All Quintiles	11.0	11.7	12.0	11.0	10.2	10.2	10.2	10.4	10.3	10.4
Top 10 Percent	17.4	18.2	18.2	16.9	15.6	15.6	15.4	15.5	16.8	16.6
Top 5 Percent	19.0	19.7	19.6	18.3	16.9	17.0	16.7	16.6	18.5	18.2
Top 1 Percent	21.8	22.3	21.5	20.4	19.4	19.3	18.9	18.3	21.5	20.7
Effective Social Insurance Tax Rate										
Lowest Quintile	5.3	5.3	5.9	5.9	6.1	6.5	6.6	6.7	6.4	6.9
Second Quintile	7.7	7.6	8.1	8.0	7.9	8.4	8.8	8.8	8.6	9.0
Middle Quintile	8.6	8.5	9.1	8.9	8.9	9.2	9.5	9.5	9.4	9.7
Fourth Quintile	8.5	8.5	9.1	9.1	9.1	9.3	9.6	9.7	9.8	10.2
Highest Quintile	5.4	5.5	6.1	6.3	6.3	6.4	6.5	6.1	6.7	6.6
All Quintiles	6.9	6.9	7.5	7.5	7.5	7.8	7.9	7.7	8.0	8.1
Top 10 Percent	4.2	4.3	4.8	5.1	5.1	5.1	5.1	4.6	5.3	5.1
Top 5 Percent	2.8	3.0	3.4	3.7	3.7	3.7	3.7	3.2	3.8	3.6
Top 1 Percent	0.9	1.0	1.3	1.6	1.5	1.4	1.3	1.0	1.5	1.3

Table B1-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Effective Tax Rate											
7.9	8.9	8.4	8.2	8.0	6.6	6.3	5.6	5.8	5.8	6.1	6.4
13.9	14.6	14.2	13.7	13.5	13.1	13.4	13.2	13.6	13.0	13.3	13.0
17.9	17.9	17.6	17.4	17.3	17.3	17.3	17.3	17.4	16.8	16.9	16.7
20.5	20.6	20.5	20.2	20.2	20.4	20.5	20.3	20.5	20.4	20.5	20.5
25.2	25.1	25.3	25.6	26.8	27.4	27.8	28.0	28.0	27.6	28.0	28.0
21.5	21.5	21.5	21.5	22.0	22.3	22.6	22.7	22.9	22.6	22.9	23.1
26.3	26.1	26.6	26.9	28.6	29.4	29.8	30.1	29.9	29.3	29.7	29.7
27.2	27.0	27.6	28.1	30.5	31.3	31.8	32.0	31.6	30.8	31.2	31.1
28.9	28.8	29.9	30.6	34.5	35.8	36.1	36.0	34.9	33.4	33.5	33.2
Effective Individual Income Tax Rate											
-1.6	-1.0	-1.6	-2.1	-2.3	-3.9	-4.4	-5.1	-5.2	-5.4	-5.2	-4.6
2.9	3.4	2.9	2.5	2.3	1.9	2.0	1.8	2.1	1.5	1.7	1.5
6.0	6.0	5.8	5.5	5.4	5.3	5.3	5.4	5.6	5.0	5.0	5.0
8.3	8.3	8.1	7.9	7.8	7.8	7.8	7.9	8.0	7.9	8.0	8.1
14.6	14.4	14.3	14.5	14.9	15.0	15.5	16.1	16.4	16.5	17.1	17.5
10.2	10.1	9.9	9.9	10.0	10.0	10.2	10.7	11.0	11.0	11.4	11.8
16.3	16.0	16.0	16.3	17.0	17.1	17.7	18.3	18.5	18.7	19.3	19.7
17.7	17.5	17.6	18.0	19.1	19.2	19.8	20.5	20.6	20.6	21.3	21.6
19.9	19.9	20.6	21.2	23.2	23.0	23.7	24.2	23.8	23.4	24.0	24.2
Effective Social Insurance Tax Rate											
7.1	7.3	7.2	7.3	7.2	7.2	7.6	7.8	8.1	8.4	8.4	8.2
8.9	9.3	9.2	8.9	8.8	8.9	9.1	9.2	9.4	9.4	9.5	9.4
9.8	9.9	9.6	9.7	9.6	9.5	9.6	9.6	9.6	9.6	9.6	9.6
10.0	10.3	10.3	10.2	10.2	10.2	10.3	10.2	10.3	10.4	10.4	10.4
6.6	6.9	7.4	7.2	7.3	7.5	7.2	6.9	6.6	6.5	6.4	6.3
8.1	8.4	8.6	8.4	8.5	8.6	8.5	8.3	8.2	8.1	8.0	7.9
5.1	5.4	6.1	5.8	6.0	6.3	6.0	5.6	5.4	5.2	5.1	5.0
3.7	4.0	4.7	4.4	4.7	4.9	4.6	4.3	4.0	3.9	3.8	3.8
1.4	1.5	2.2	1.9	2.1	2.6	2.3	2.2	2.0	1.9	1.9	1.9

(Continued)

Table B1-A.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Effective Corporate Income Tax Rate										
Lowest Quintile	1.1	0.9	0.7	0.5	0.6	0.8	0.6	0.6	0.7	0.7
Second Quintile	1.2	1.0	0.8	0.5	0.7	0.7	0.7	0.7	0.9	0.8
Middle Quintile	1.4	1.2	1.0	0.7	0.9	1.0	0.9	0.9	1.2	1.2
Fourth Quintile	1.6	1.4	1.2	0.7	1.0	1.2	1.0	1.0	1.4	1.3
Highest Quintile	5.7	4.6	3.6	2.1	2.8	3.1	2.8	2.8	3.6	3.6
All Quintiles	3.4	2.8	2.2	1.4	1.8	2.0	1.8	1.9	2.4	2.4
Top 10 Percent	7.4	5.9	4.6	2.8	3.5	3.9	3.6	3.5	4.6	4.5
Top 5 Percent	9.5	7.4	5.9	3.5	4.4	4.9	4.5	4.3	5.7	5.5
Top 1 Percent	13.8	10.8	8.7	5.4	6.4	7.1	6.4	5.8	7.8	7.3
Effective Excise Tax Rate										
Lowest Quintile	1.6	1.4	1.3	1.4	2.0	2.3	2.2	2.0	2.1	2.0
Second Quintile	1.3	1.1	1.0	1.1	1.3	1.4	1.4	1.3	1.4	1.4
Middle Quintile	1.1	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	1.1
Fourth Quintile	0.9	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.9	0.9
Highest Quintile	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.7	0.6
All Quintiles	1.0	0.8	0.8	0.8	0.9	1.0	0.9	0.9	0.9	0.9
Top 10 Percent	0.7	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5
Top 5 Percent	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Top 1 Percent	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B1-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Effective Corporate Income Tax Rate											
0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	0.5	0.5
0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.6
1.1	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.0	1.0	1.0
1.2	1.2	1.1	1.1	1.2	1.2	1.3	1.3	1.3	1.1	1.1	1.0
3.5	3.3	3.0	3.3	3.9	4.2	4.4	4.5	4.4	4.0	3.9	3.7
2.3	2.2	2.0	2.2	2.5	2.6	2.8	2.9	2.9	2.6	2.5	2.5
4.4	4.2	3.8	4.2	5.0	5.4	5.6	5.6	5.5	4.9	4.7	4.5
5.3	5.1	4.8	5.2	6.2	6.7	6.9	6.8	6.6	5.9	5.6	5.4
7.2	7.1	6.8	7.2	8.8	9.7	9.7	9.3	8.7	7.8	7.3	6.8
Effective Excise Tax Rate											
1.8	2.0	2.2	2.3	2.5	2.6	2.4	2.3	2.3	2.2	2.4	2.2
1.2	1.3	1.4	1.5	1.6	1.7	1.6	1.5	1.5	1.4	1.6	1.4
1.0	1.0	1.2	1.2	1.2	1.3	1.3	1.2	1.1	1.1	1.2	1.2
0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.0	0.9	0.9	1.0	0.9
0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
0.8	0.9	1.0	1.0	1.0	1.1	1.0	0.9	0.9	0.9	0.9	0.9
0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
0.3	0.3	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B1-B.

Shares of Tax Liabilities for All Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Total Federal Tax Liabilities										
Lowest Quintile	2.1	2.0	2.0	2.1	2.2	2.4	2.3	2.1	1.8	1.7
Second Quintile	7.2	7.0	7.1	7.1	6.9	7.2	7.2	6.8	6.5	6.4
Middle Quintile	13.2	13.3	13.6	13.6	13.3	13.2	13.2	12.7	12.4	12.2
Fourth Quintile	21.0	21.3	21.9	22.1	21.8	21.4	21.3	20.8	20.7	20.4
Highest Quintile	56.4	56.3	55.2	55.0	55.7	55.6	55.8	57.5	58.4	59.1
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	40.7	40.0	38.6	38.0	39.0	39.3	39.5	41.6	42.2	43.2
Top 5 Percent	29.6	28.7	27.2	26.5	27.7	28.2	28.4	30.7	30.8	32.3
Top 1 Percent	15.4	14.2	12.9	12.8	14.0	14.7	14.8	17.1	16.2	18.1
Share of Individual Income Tax Liabilities										
Lowest Quintile	0	0.1	0.2	0.2	0.2	0.3	0.2	0.2	-0.3	-0.4
Second Quintile	4.1	4.2	4.4	4.0	3.8	4.1	4.0	3.7	3.1	2.9
Middle Quintile	10.7	10.8	10.9	10.6	10.2	10.1	9.9	9.2	8.7	8.5
Fourth Quintile	20.2	20.2	20.6	20.2	19.7	19.2	19.0	18.0	17.5	17.2
Highest Quintile	64.9	64.8	63.9	64.9	66.1	66.3	66.9	68.9	70.9	71.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	48.1	47.6	46.6	47.6	49.1	49.9	50.5	53.4	54.7	56.3
Top 5 Percent	35.6	34.9	33.9	35.0	36.6	37.7	38.3	41.6	42.1	44.5
Top 1 Percent	18.3	17.4	16.3	17.7	19.6	20.7	21.2	24.6	23.5	26.6
Share of Social Insurance Tax Liabilities										
Lowest Quintile	4.5	4.4	4.3	4.1	4.0	4.2	4.0	3.9	3.5	3.6
Second Quintile	12.5	12.1	11.9	11.3	10.9	11.2	11.2	11.0	10.6	10.8
Middle Quintile	19.8	19.5	19.2	18.7	18.3	18.3	18.3	18.1	18.0	17.8
Fourth Quintile	27.4	27.2	27.0	26.7	26.8	26.5	26.4	26.7	26.9	27.0
Highest Quintile	35.9	36.8	37.5	39.2	39.9	39.7	39.9	40.2	40.8	40.7
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	18.5	19.1	19.9	21.2	21.8	21.4	21.6	21.6	22.0	22.0
Top 5 Percent	8.5	9.1	9.6	10.5	11.0	10.8	10.8	10.7	11.1	11.2
Top 1 Percent	1.3	1.4	1.6	2.0	2.0	2.0	1.9	1.9	2.1	2.1

Table B1-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Total Federal Tax Liabilities											
1.6	1.9	1.9	1.7	1.6	1.3	1.3	1.1	1.1	1.1	1.1	1.1
6.4	6.8	6.6	6.2	6.0	5.8	5.8	5.5	5.4	5.2	5.2	4.8
12.6	12.6	12.6	12.2	11.8	11.8	11.4	11.1	10.8	10.5	10.2	9.8
20.6	20.7	20.9	20.2	19.8	19.8	19.3	18.8	18.3	18.2	17.8	17.4
58.7	57.9	57.9	59.5	60.5	61.1	61.9	63.4	64.2	64.9	65.6	66.7
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
42.5	41.7	41.7	43.6	44.9	45.6	46.6	48.3	49.3	49.9	51.0	52.2
31.3	30.6	30.3	32.3	33.8	34.4	35.4	37.3	38.3	38.9	40.2	41.4
16.7	16.2	15.7	17.5	18.7	19.4	20.1	21.8	22.7	23.3	24.3	25.6
Share of Individual Income Tax Liabilities											
-0.7	-0.4	-0.8	-0.9	-1.0	-1.7	-2.0	-2.1	-2.0	-2.1	-1.9	-1.6
2.8	3.3	2.9	2.5	2.3	1.8	1.9	1.6	1.7	1.3	1.3	1.1
8.9	8.9	9.0	8.4	8.1	8.1	7.7	7.3	7.2	6.4	6.1	5.7
17.6	17.8	18.0	17.1	16.8	16.9	16.2	15.5	14.9	14.6	14.0	13.5
71.4	70.4	70.8	73.0	73.8	74.9	76.1	77.6	78.2	79.8	80.6	81.2
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
55.3	54.3	54.5	57.2	58.4	59.3	60.8	62.9	63.7	65.4	66.7	67.7
42.9	42.1	42.1	44.9	46.4	46.9	48.5	50.9	51.8	53.4	55.1	56.2
24.3	23.8	23.4	26.2	27.6	27.8	29.0	31.4	32.3	33.5	35.0	36.5
Share of Social Insurance Tax Liabilities											
3.8	4.0	4.0	3.8	3.8	3.7	4.1	4.1	4.2	4.4	4.4	4.2
10.8	11.1	10.6	10.3	10.2	10.1	10.4	10.4	10.5	10.4	10.5	10.2
18.2	17.8	17.2	17.3	17.0	16.9	16.9	16.9	16.8	16.6	16.5	16.3
26.6	26.5	26.2	26.1	26.0	25.8	25.9	25.8	25.7	25.8	25.7	25.8
40.4	40.5	41.9	42.3	42.8	43.3	42.6	42.7	42.6	42.5	42.8	43.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
22.0	22.2	24.0	24.0	24.6	25.3	24.8	24.8	24.8	24.5	25.0	25.6
11.2	11.5	12.9	12.9	13.5	14.1	13.6	13.8	13.7	13.6	14.1	14.6
2.2	2.2	2.8	2.7	2.9	3.7	3.5	3.6	3.7	3.7	4.0	4.3

(Continued)

Table B1-B.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Corporate Income Tax Liabilities										
Lowest Quintile	1.8	1.8	1.6	1.7	1.6	1.9	1.4	1.4	1.3	1.2
Second Quintile	4.1	3.9	3.8	4.0	3.8	3.8	3.7	3.3	3.8	3.4
Middle Quintile	6.7	7.0	7.1	7.5	7.5	7.5	7.5	7.2	7.7	7.5
Fourth Quintile	10.5	11.3	11.9	12.1	12.2	12.7	12.3	11.7	12.8	11.6
Highest Quintile	76.5	75.5	74.9	73.8	74.2	73.2	74.2	75.7	73.1	74.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	66.7	65.0	64.6	63.3	63.7	63.5	64.9	67.4	64.0	66.5
Top 5 Percent	57.9	55.6	55.4	54.9	55.2	55.1	56.9	59.5	55.3	58.4
Top 1 Percent	37.8	35.6	35.8	37.7	37.6	38.5	39.7	42.8	36.7	40.7
Share of Federal Excise Tax Liabilities										
Lowest Quintile	9.9	9.7	9.6	9.7	10.8	11.6	11.2	10.2	10.1	9.7
Second Quintile	15.0	14.7	14.6	14.5	14.5	14.9	14.7	14.3	14.8	15.0
Middle Quintile	18.2	18.1	18.4	18.2	17.8	17.6	17.5	17.7	18.1	17.9
Fourth Quintile	21.6	21.6	21.7	22.2	22.1	22.0	21.6	21.2	21.8	22.0
Highest Quintile	34.8	35.2	34.9	34.8	34.2	33.3	34.3	36.0	34.7	35.1
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	21.4	21.7	21.3	20.8	20.4	20.0	21.2	23.1	21.5	21.7
Top 5 Percent	13.1	13.4	13.1	12.6	12.7	12.2	13.4	15.1	13.3	13.6
Top 1 Percent	4.6	4.6	4.6	4.4	4.6	4.5	5.0	6.4	5.0	5.4

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B1-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Corporate Income Tax Liabilities											
1.2	1.2	1.4	1.3	1.1	1.0	1.1	0.9	0.8	0.8	0.8	0.9
3.6	3.2	3.4	3.2	3.0	2.7	2.6	2.4	2.2	2.2	2.2	2.1
7.0	6.9	7.5	6.9	6.3	6.2	5.9	5.8	5.3	5.4	5.5	5.2
11.7	11.6	11.6	10.8	10.3	10.1	10.0	9.7	9.2	8.7	8.5	8.0
75.2	75.6	74.5	76.4	77.9	78.5	79.0	80.1	81.5	82.0	82.1	82.9
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
66.0	66.3	64.7	67.8	69.2	70.0	70.1	71.2	72.6	73.8	73.8	74.6
57.4	57.4	56.2	59.0	60.5	62.1	61.5	62.4	64.1	65.4	65.7	66.5
39.1	39.7	38.3	40.7	42.2	44.5	43.2	44.5	45.7	47.9	47.8	49.1
Share of Federal Excise Tax Liabilities											
9.6	10.6	10.7	10.6	10.9	10.8	10.9	10.7	11.1	10.9	10.8	10.4
14.5	14.8	14.8	15.2	15.0	15.1	15.2	15.4	15.0	14.5	14.6	14.4
18.2	18.2	18.7	18.4	18.2	18.5	18.3	18.4	17.8	18.1	18.1	18.0
22.5	22.2	22.1	22.0	21.5	21.8	22.1	21.6	21.0	21.1	21.3	21.2
34.7	33.8	33.3	33.3	33.7	33.0	32.9	33.3	34.6	35.1	34.9	35.6
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
20.8	20.2	20.2	20.0	20.7	20.0	19.5	20.1	21.5	21.6	21.5	22.0
12.7	12.2	12.3	12.1	12.7	12.1	11.7	12.2	13.5	13.5	13.6	13.9
4.5	4.2	4.2	4.1	4.3	4.1	4.1	4.2	5.1	5.3	4.9	5.2

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B1-C.

Number of Households, Average Income and Income Shares, and Income Category Minimums for All Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Number of Households (Millions)										
Lowest Quintile	17.9	18.1	17.9	17.6	17.5	18.5	18.5	18.8	18.2	18.5
Second Quintile	15.8	16.1	16.3	16.3	16.8	16.8	17.3	17.3	18.4	18.7
Middle Quintile	15.0	15.2	15.7	16.0	16.4	16.6	16.8	17.3	17.8	18.1
Fourth Quintile	15.4	15.7	15.9	16.2	16.6	16.8	17.3	17.5	18.0	18.4
Highest Quintile	16.7	17.1	17.5	17.8	18.0	18.0	18.5	18.5	18.7	19.0
All Quintiles	81.1	82.6	83.8	84.3	85.8	87.2	88.8	89.9	91.4	93.1
Top 10 Percent	8.6	8.8	9.0	9.1	9.2	9.1	9.4	9.5	9.5	9.7
Top 5 Percent	4.3	4.4	4.6	4.6	4.6	4.6	4.8	4.8	4.8	4.8
Top 1 Percent	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Average Income (2000 dollars)										
<i>Pretax Income</i>										
Lowest Quintile	13,700	13,200	12,900	12,500	12,100	12,500	12,600	12,600	12,400	12,700
Second Quintile	29,800	28,600	28,400	27,700	26,700	28,300	28,400	29,100	28,000	28,600
Middle Quintile	44,700	43,300	42,700	41,900	41,200	43,000	43,800	44,800	44,500	45,200
Fourth Quintile	60,500	58,700	59,000	58,400	58,100	60,600	61,200	63,500	63,600	64,300
Highest Quintile	115,800	112,100	111,400	111,500	115,400	123,600	127,000	143,300	134,900	145,200
All Quintiles	52,300	50,700	50,600	50,400	50,800	53,100	54,500	58,500	56,500	59,000
Top 10 Percent	151,000	146,000	144,400	145,800	152,900	165,700	171,400	198,200	182,600	200,600
Top 5 Percent	205,500	195,700	192,500	197,100	207,800	228,000	237,500	285,900	253,400	287,800
Top 1 Percent	454,200	428,400	425,900	444,800	487,400	537,100	577,400	751,500	607,200	765,000
<i>After-Tax Income</i>										
Lowest Quintile	12,600	12,200	11,900	11,500	11,000	11,200	11,400	11,400	11,300	11,600
Second Quintile	25,600	24,600	24,200	23,900	23,000	24,100	24,200	24,800	24,100	24,500
Middle Quintile	36,400	35,200	34,500	34,400	34,000	35,300	35,800	36,800	36,700	37,100
Fourth Quintile	47,700	46,100	46,000	46,400	46,400	48,200	48,700	50,500	50,800	51,000
Highest Quintile	84,000	81,500	81,500	84,300	87,900	93,600	96,500	109,200	100,100	108,000
All Quintiles	40,700	39,400	39,200	40,000	40,400	42,000	43,100	46,300	44,300	46,100
Top 10 Percent	106,300	103,600	103,600	109,000	115,000	123,900	129,000	150,100	132,900	147,100
Top 5 Percent	140,100	135,500	135,900	145,800	154,600	168,500	177,200	215,500	181,200	208,000
Top 1 Percent	286,300	280,300	290,400	321,800	352,200	385,500	421,500	559,900	417,800	537,900

Table B1-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of Households (Millions)											
18.4	18.8	19.3	19.0	19.1	19.4	20.1	20.2	20.6	21.1	21.2	22.1
18.8	18.6	18.6	18.9	19.2	19.6	19.3	19.8	19.8	19.8	20.0	20.8
18.3	18.4	18.9	18.9	19.1	19.7	19.7	19.8	20.2	20.7	20.9	21.6
18.5	18.7	18.9	19.0	19.2	19.5	19.7	20.0	20.2	20.4	20.6	21.1
19.3	19.7	19.9	20.1	20.2	20.5	20.6	21.0	21.4	21.6	21.8	22.4
93.6	94.6	96.0	96.3	97.3	99.1	99.7	101.1	102.6	104.0	104.8	108.3
9.8	10.0	10.1	10.2	10.3	10.4	10.5	10.7	10.8	10.9	11.1	11.4
4.9	5.0	5.1	5.1	5.2	5.2	5.2	5.4	5.4	5.4	5.5	5.7
1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Average Income (2000 dollars)											
<i>Pretax Income</i>											
13,100	13,500	13,500	13,200	13,500	13,400	14,100	13,900	14,200	14,900	15,300	14,600
29,100	29,900	29,400	29,200	29,400	29,600	31,100	30,900	31,600	33,000	33,900	33,300
45,700	45,500	44,800	45,100	45,300	45,700	47,000	47,500	48,300	49,500	50,500	50,300
65,100	64,300	63,600	64,200	64,700	65,900	66,800	68,000	69,300	72,000	73,800	74,500
144,400	140,300	135,300	141,300	141,300	144,200	151,000	158,500	168,100	178,300	188,900	196,500
59,500	58,800	57,300	58,900	59,100	59,800	62,100	64,100	66,700	69,900	73,000	74,100
198,600	191,500	182,800	193,600	192,200	197,400	207,500	221,700	238,800	256,200	272,800	286,300
280,900	269,600	253,000	274,400	268,900	277,700	298,000	319,300	352,000	383,700	408,800	434,300
712,100	683,400	615,900	698,600	671,000	692,100	762,600	841,000	964,600	1,083,300	1,178,900	1,290,800
<i>After-Tax Income</i>											
12,100	12,300	12,300	12,100	12,400	12,600	13,200	13,100	13,400	14,000	14,400	13,700
25,100	25,500	25,200	25,200	25,400	25,700	26,900	26,800	27,300	28,700	29,300	29,000
37,500	37,400	36,900	37,200	37,500	37,800	38,800	39,300	39,900	41,200	42,000	41,900
51,800	51,000	50,500	51,200	51,600	52,400	53,200	54,200	55,100	57,300	58,700	59,200
108,000	105,000	101,000	105,100	103,500	104,700	109,000	114,100	121,000	129,100	136,000	141,400
46,700	46,200	45,000	46,200	46,000	46,500	48,100	49,500	51,400	54,100	56,200	57,000
146,400	141,400	134,300	141,500	137,200	139,400	145,600	155,000	167,500	181,100	191,800	201,400
204,600	196,700	183,100	197,300	187,000	190,700	203,200	217,000	240,700	265,400	281,500	299,400
506,500	486,800	431,900	484,900	439,800	444,500	487,100	538,200	627,700	721,100	783,800	862,700

(Continued)

Table B1-C.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Income (Percent)										
<i>Pretax Income</i>										
Lowest Quintile	5.8	5.7	5.5	5.2	4.9	5.0	4.8	4.5	4.4	4.3
Second Quintile	11.1	11.0	10.9	10.6	10.3	10.3	10.1	9.6	10.0	9.7
Middle Quintile	15.8	15.7	15.9	15.7	15.5	15.4	15.2	14.7	15.3	14.9
Fourth Quintile	22.0	22.1	22.2	22.2	22.2	22.0	21.9	21.2	22.1	21.6
Highest Quintile	45.5	45.8	46.0	46.7	47.7	48.0	48.6	50.6	48.9	50.3
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	30.5	30.6	30.7	31.1	32.2	32.6	33.4	35.8	33.5	35.3
Top 5 Percent	20.7	20.7	20.7	21.1	22.2	22.6	23.4	26.0	23.4	25.4
Top 1 Percent	9.3	9.1	9.1	9.6	10.3	10.9	11.5	14.0	11.2	13.3
<i>After-Tax Income</i>										
Lowest Quintile	6.8	6.8	6.5	6.0	5.5	5.7	5.5	5.2	5.1	5.0
Second Quintile	12.3	12.1	12.0	11.5	11.2	11.1	10.9	10.3	10.9	10.7
Middle Quintile	16.5	16.5	16.5	16.3	16.1	16.0	15.8	15.3	16.1	15.6
Fourth Quintile	22.3	22.3	22.3	22.3	22.3	22.2	22.0	21.3	22.5	21.9
Highest Quintile	42.4	42.8	43.3	44.6	45.7	46.0	46.7	48.7	46.3	47.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	27.6	27.9	28.4	29.4	30.5	30.9	31.7	34.3	31.1	33.1
Top 5 Percent	18.1	18.4	18.9	19.7	20.7	21.2	22.0	24.8	21.3	23.5
Top 1 Percent	7.5	7.7	8.0	8.7	9.4	9.9	10.6	13.2	9.9	12.0
Minimum Adjusted Income^a (2000 dollars)										
Lowest Quintile	0	0	0	0	0	0	0	0	0	0
Second Quintile	14,400	13,800	13,600	13,200	12,700	13,500	13,500	13,700	13,200	13,600
Middle Quintile	22,800	22,000	21,900	21,400	21,200	22,100	22,500	23,100	23,000	23,500
Fourth Quintile	31,300	30,400	30,600	30,200	30,200	31,600	32,100	33,200	33,400	34,100
Highest Quintile	43,600	42,600	43,000	43,000	43,300	45,200	45,900	47,900	48,500	49,400
Top 10 Percent	55,700	55,100	55,100	55,500	56,200	59,200	60,300	63,000	63,900	65,500
Top 5 Percent	70,700	69,200	69,900	69,500	71,100	75,100	77,000	81,800	81,700	84,000
Top 1 Percent	138,300	134,200	132,400	133,000	138,900	148,500	154,400	179,300	168,200	181,000

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B1-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Income (Percent)											
<i>Pretax Income</i>											
4.3	4.6	4.7	4.4	4.5	4.4	4.6	4.3	4.3	4.3	4.2	4.0
9.8	10.0	10.0	9.7	9.8	9.8	9.7	9.4	9.1	9.0	8.9	8.6
15.1	15.1	15.4	15.1	15.0	15.2	14.9	14.5	14.2	14.1	13.8	13.5
21.6	21.6	21.8	21.5	21.6	21.6	21.3	21.0	20.4	20.2	19.9	19.6
49.9	49.5	49.0	50.0	49.8	49.8	50.2	51.5	52.6	53.0	53.8	54.8
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
34.8	34.4	33.7	34.9	34.6	34.6	35.2	36.5	37.8	38.4	39.4	40.6
24.8	24.3	23.6	24.7	24.4	24.5	25.1	26.5	27.8	28.5	29.6	30.7
12.5	12.1	11.2	12.3	11.9	12.1	12.5	13.8	14.9	15.7	16.7	17.8
<i>After-Tax Income</i>											
5.1	5.3	5.5	5.2	5.3	5.3	5.5	5.3	5.2	5.3	5.2	4.9
10.8	10.8	10.9	10.7	10.9	11.0	10.9	10.6	10.2	10.1	10.0	9.7
15.7	15.8	16.2	15.9	16.0	16.1	15.9	15.6	15.3	15.1	14.9	14.6
21.9	21.9	22.1	21.9	22.1	22.2	21.9	21.6	21.1	20.8	20.5	20.2
47.6	47.3	46.5	47.4	46.8	46.5	46.8	48.0	49.1	49.6	50.2	51.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
32.7	32.3	31.5	32.5	31.7	31.4	31.9	33.1	34.4	35.1	36.0	37.1
23.0	22.6	21.7	22.7	21.8	21.6	22.1	23.3	24.6	25.4	26.5	27.5
11.3	11.0	10.0	10.9	10.0	10.0	10.3	11.4	12.6	13.5	14.4	15.5
Minimum Adjusted Income^a (2000 dollars)											
0	0	0	0	0	0	0	0	0	0	0	0
13,900	14,200	14,200	13,800	14,000	14,200	14,900	14,600	15,000	15,700	16,100	15,800
23,900	23,900	23,500	23,600	23,700	24,000	24,800	25,100	25,400	26,400	26,900	26,800
34,400	34,200	33,900	34,200	34,100	34,900	35,500	36,000	36,600	37,900	38,700	38,900
50,100	49,400	48,700	49,300	49,700	50,500	51,800	52,800	54,000	56,100	57,800	58,400
66,500	65,300	64,300	65,500	65,900	66,800	69,200	71,100	73,200	76,400	78,600	80,100
86,100	84,700	83,200	85,900	85,600	87,500	91,000	93,700	98,300	102,500	105,700	108,400
183,600	175,100	171,700	181,600	178,700	184,100	195,800	206,700	219,400	234,000	249,700	257,100

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

a. The minimum adjusted income is the lower income boundary for each quintile.

Table B2-A.

Effective Federal Tax Rates for Households with Children, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Effective Tax Rate										
Lowest Quintile	9.1	8.9	9.8	9.6	10.2	11.8	11.1	10.9	8.8	8.5
Second Quintile	15.8	15.9	16.9	16.1	16.2	17.0	17.1	17.1	16.4	16.6
Middle Quintile	19.4	19.7	20.7	19.8	19.4	19.8	20.0	20.1	19.4	19.8
Fourth Quintile	21.3	21.9	22.9	21.8	21.2	21.5	21.6	21.7	21.1	21.5
Highest Quintile	25.9	26.0	25.9	23.7	23.6	23.5	23.2	23.3	25.4	24.9
All Quintiles	21.1	21.3	22.0	20.7	20.6	21.0	20.9	21.1	21.4	21.5
Top 10 Percent	28.0	27.6	26.9	24.2	24.3	24.3	23.7	23.7	26.8	26.0
Top 5 Percent	29.9	29.2	27.8	24.6	25.0	25.0	24.2	24.0	28.0	27.0
Top 1 Percent	34.4	31.9	29.7	25.6	27.0	27.0	25.6	24.9	30.7	28.7
Effective Individual Income Tax Rate										
Lowest Quintile	-0.5	-0.3	0.1	0.2	0.1	0.5	0.2	0.2	-1.2	-2.1
Second Quintile	4.8	5.2	5.7	5.0	4.6	4.8	4.7	4.7	3.8	3.6
Middle Quintile	8.2	8.7	9.2	8.4	7.6	7.5	7.4	7.4	6.5	6.6
Fourth Quintile	10.6	11.3	11.8	10.7	9.7	9.5	9.4	9.5	8.6	8.7
Highest Quintile	15.8	16.5	16.6	15.1	14.4	14.0	13.7	14.3	15.5	15.2
All Quintiles	10.4	11.0	11.4	10.3	9.8	9.7	9.5	10.0	9.8	9.7
Top 10 Percent	17.7	18.4	18.2	16.7	16.1	15.6	15.2	15.9	17.9	17.4
Top 5 Percent	19.2	19.9	19.4	17.9	17.4	17.0	16.4	17.0	19.8	19.2
Top 1 Percent	21.5	21.4	20.6	19.2	19.5	19.1	18.2	18.3	22.8	21.5
Effective Social Insurance Tax Rate										
Lowest Quintile	7.3	7.2	7.9	7.7	7.6	8.5	8.4	8.4	7.8	8.4
Second Quintile	9.2	9.1	9.9	9.8	10.0	10.5	10.7	10.8	10.9	11.3
Middle Quintile	9.5	9.5	10.3	10.3	10.5	10.9	11.2	11.4	11.4	11.8
Fourth Quintile	8.9	9.1	9.9	10.1	10.2	10.6	10.9	11.0	11.1	11.5
Highest Quintile	5.3	5.5	6.2	6.6	6.5	6.7	6.9	6.2	6.8	6.7
All Quintiles	7.8	7.9	8.6	8.8	8.8	9.1	9.4	9.0	9.4	9.6
Top 10 Percent	3.8	4.0	4.5	4.9	4.8	4.9	5.2	4.3	5.0	4.9
Top 5 Percent	2.6	2.8	3.0	3.5	3.4	3.5	3.7	2.8	3.6	3.4
Top 1 Percent	1.0	1.1	1.4	1.7	1.5	1.5	1.5	1.0	1.7	1.4

Table B2-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Effective Tax Rate											
7.8	9.1	8.3	7.7	7.5	5.5	4.7	3.8	3.9	3.9	4.3	5.1
16.0	16.8	16.1	15.4	15.2	14.5	14.7	14.4	14.9	13.9	14.1	13.8
19.8	19.9	19.8	19.5	19.2	19.3	19.2	19.1	19.4	18.4	18.6	18.2
21.5	21.7	21.7	21.4	21.4	21.5	21.5	21.5	21.7	21.1	21.1	21.1
24.8	24.7	25.3	25.4	27.1	27.5	28.1	28.3	28.3	28.1	28.6	28.8
21.3	21.3	21.4	21.2	21.9	21.9	22.2	22.1	22.4	22.1	22.5	22.9
25.8	25.5	26.5	26.7	29.2	29.6	30.3	30.4	30.4	30.0	30.5	30.6
26.7	26.4	27.6	27.8	31.0	31.7	32.3	32.5	32.2	31.5	32.0	32.0
28.2	28.2	29.7	30.3	35.0	36.1	36.7	36.4	35.5	34.1	34.2	33.8
Effective Individual Income Tax Rate											
-3.0	-2.0	-3.1	-3.8	-4.1	-6.2	-7.6	-8.5	-8.8	-9.1	-8.9	-7.9
3.2	3.8	3.1	2.6	2.4	1.7	1.7	1.4	1.8	0.9	0.9	0.8
6.6	6.6	6.5	6.2	6.0	5.9	5.9	5.9	6.1	5.1	5.1	4.9
8.7	8.7	8.5	8.2	8.2	8.2	8.1	8.3	8.5	7.9	7.8	7.9
15.1	14.7	14.7	14.9	16.1	15.9	16.7	17.2	17.5	17.7	18.4	18.8
9.6	9.3	9.2	9.1	9.6	9.3	9.7	9.8	10.1	10.0	10.5	11.2
17.1	16.7	17.0	17.3	18.8	18.7	19.5	20.1	20.2	20.4	21.2	21.5
18.8	18.3	18.9	19.3	21.3	21.1	21.9	22.6	22.5	22.5	23.3	23.6
20.8	20.7	21.9	22.6	25.7	25.3	26.0	26.3	25.8	25.2	25.8	25.8
Effective Social Insurance Tax Rate											
8.7	9.0	8.9	8.9	8.8	8.8	9.4	9.6	10.0	10.4	10.4	10.5
11.2	11.4	11.2	11.0	10.9	10.9	11.0	11.0	11.3	11.3	11.3	11.2
11.8	11.9	11.8	11.8	11.6	11.7	11.7	11.7	11.8	11.9	11.9	11.8
11.4	11.7	11.9	11.8	11.7	11.7	11.7	11.7	11.8	11.8	11.7	11.8
6.8	7.3	8.0	7.7	7.7	8.0	7.6	7.4	7.2	7.0	6.8	6.5
9.6	9.9	10.2	10.0	9.9	10.1	9.8	9.8	9.7	9.6	9.4	9.2
5.0	5.5	6.3	5.9	6.1	6.6	5.9	5.8	5.6	5.4	5.2	4.9
3.5	4.0	4.8	4.4	4.7	5.3	4.6	4.4	4.3	4.1	3.9	3.7
1.5	1.8	2.4	1.9	2.1	3.1	2.5	2.5	2.3	2.2	2.1	2.0

(Continued)

Table B2-A.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Effective Corporate Income Tax Rate										
Lowest Quintile	0.6	0.6	0.5	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Second Quintile	0.6	0.5	0.4	0.3	0.4	0.3	0.3	0.3	0.5	0.4
Middle Quintile	0.7	0.6	0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.5
Fourth Quintile	0.9	0.8	0.6	0.3	0.5	0.5	0.4	0.4	0.6	0.6
Highest Quintile	4.2	3.3	2.6	1.5	2.0	2.2	1.9	2.2	2.5	2.4
All Quintiles	1.9	1.6	1.3	0.7	1.0	1.1	1.0	1.1	1.3	1.3
Top 10 Percent	5.9	4.7	3.8	2.1	2.9	3.1	2.7	3.0	3.4	3.2
Top 5 Percent	7.6	6.0	4.9	2.8	3.7	4.0	3.5	3.8	4.2	4.0
Top 1 Percent	11.5	9.0	7.5	4.5	5.6	6.0	5.3	5.3	5.8	5.5
Effective Excise Tax Rate										
Lowest Quintile	1.6	1.4	1.3	1.4	2.1	2.5	2.2	2.0	1.8	1.8
Second Quintile	1.2	1.0	1.0	1.0	1.3	1.4	1.3	1.3	1.3	1.3
Middle Quintile	1.0	0.9	0.8	0.9	1.0	1.1	1.0	1.0	1.0	1.0
Fourth Quintile	0.9	0.7	0.7	0.7	0.8	0.9	0.9	0.8	0.8	0.8
Highest Quintile	0.7	0.6	0.5	0.5	0.6	0.7	0.7	0.6	0.6	0.6
All Quintiles	0.9	0.8	0.7	0.8	0.9	1.0	1.0	0.9	0.9	0.9
Top 10 Percent	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5
Top 5 Percent	0.5	0.5	0.4	0.4	0.5	0.5	0.6	0.4	0.5	0.4
Top 1 Percent	0.4	0.4	0.4	0.3	0.4	0.5	0.5	0.3	0.4	0.3

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships. A household with children has at least one member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B2-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Effective Corporate Income Tax Rate											
0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.4	0.4	0.3	0.3	0.3
0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.3	0.4	0.4
0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4
0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
2.4	2.1	2.0	2.2	2.7	2.8	3.2	3.1	3.1	2.9	2.9	3.0
1.3	1.1	1.1	1.1	1.4	1.5	1.7	1.6	1.7	1.5	1.6	1.7
3.2	2.9	2.7	3.0	3.7	3.8	4.3	4.1	4.1	3.7	3.7	3.7
4.0	3.6	3.4	3.7	4.6	4.8	5.3	5.1	5.0	4.5	4.5	4.4
5.6	5.4	5.1	5.5	6.9	7.4	7.8	7.3	7.1	6.3	6.0	5.8
Effective Excise Tax Rate											
1.7	1.8	2.1	2.2	2.4	2.5	2.4	2.3	2.4	2.2	2.4	2.2
1.2	1.2	1.4	1.5	1.5	1.6	1.5	1.5	1.4	1.4	1.5	1.4
0.9	0.9	1.1	1.1	1.1	1.2	1.2	1.1	1.0	1.1	1.1	1.1
0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	0.8	0.8	0.9	0.9
0.5	0.6	0.6	0.6	0.6	0.7	0.6	0.5	0.5	0.5	0.6	0.5
0.8	0.9	1.0	1.0	1.0	1.1	1.0	0.9	0.9	0.9	0.9	0.8
0.4	0.5	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.4	0.4	0.4
0.4	0.4	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.3
0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.2	0.3	0.3	0.2	0.2

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B2-B.

Shares of Tax Liabilities for Households with Children, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Total Federal Tax Liabilities										
Lowest Quintile	2.7	2.7	2.8	3.0	3.2	3.4	3.3	3.0	2.5	2.3
Second Quintile	10.3	10.3	10.7	10.7	10.4	10.6	10.8	10.3	9.4	9.5
Middle Quintile	19.0	19.1	19.4	19.8	18.5	18.4	18.6	17.4	17.2	17.3
Fourth Quintile	25.9	26.1	26.9	27.5	25.9	25.6	25.7	24.5	24.2	24.4
Highest Quintile	42.0	41.6	40.0	38.9	41.8	41.8	41.4	44.7	46.5	46.1
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	27.4	26.8	24.9	23.8	26.8	27.2	26.6	30.3	31.7	31.4
Top 5 Percent	19.6	18.7	17.1	16.2	19.2	19.5	18.4	22.5	23.3	23.5
Top 1 Percent	9.4	9.0	8.6	7.5	10.3	10.5	9.2	13.2	12.8	13.1
Share of Individual Income Tax Liabilities										
Lowest Quintile	-0.3	-0.2	0.1	0.1	0.1	0.3	0.1	0.1	-0.8	-1.3
Second Quintile	6.3	6.6	6.9	6.7	6.2	6.5	6.5	6.0	4.7	4.5
Middle Quintile	16.3	16.4	16.7	16.7	15.2	15.1	15.1	13.5	12.6	12.7
Fourth Quintile	26.1	26.1	26.8	26.9	24.8	24.4	24.5	22.5	21.5	21.8
Highest Quintile	51.6	51.1	49.5	49.6	53.7	53.7	53.7	57.9	61.9	62.3
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	35.2	34.6	32.6	32.9	37.2	37.9	37.5	42.9	46.1	46.6
Top 5 Percent	25.6	24.7	23.2	23.6	28.0	28.7	27.4	33.7	36.0	37.1
Top 1 Percent	11.9	11.7	11.5	11.2	15.6	16.1	14.5	20.4	20.9	21.7
Share of Social Insurance Tax Liabilities										
Lowest Quintile	6.0	5.9	5.8	5.6	5.6	5.6	5.5	5.4	5.0	5.2
Second Quintile	16.2	16.0	15.9	15.3	14.9	15.1	15.1	15.1	14.2	14.5
Middle Quintile	25.1	25.0	24.5	24.1	23.4	23.1	23.2	22.9	23.0	23.1
Fourth Quintile	29.3	29.2	29.5	29.7	29.1	28.9	28.7	28.9	29.1	29.2
Highest Quintile	23.3	23.9	24.2	25.2	26.9	27.2	27.3	27.5	28.6	27.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	9.9	10.5	10.5	11.3	12.4	12.7	12.9	12.7	13.6	13.1
Top 5 Percent	4.5	4.8	4.7	5.4	6.1	6.2	6.2	6.1	6.8	6.6
Top 1 Percent	0.7	0.9	1.0	1.2	1.4	1.3	1.2	1.2	1.6	1.4

Table B2-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Total Federal Tax Liabilities											
2.2	2.7	2.5	2.2	2.1	1.5	1.3	1.0	1.0	1.0	1.1	1.2
9.2	10.4	9.9	9.3	8.7	8.3	8.3	8.1	8.1	7.5	7.3	6.6
17.4	17.6	17.2	16.8	15.7	15.9	14.9	15.0	14.6	13.7	13.0	12.0
24.4	24.7	24.5	24.1	23.2	23.5	21.9	22.1	21.8	21.0	20.1	19.3
46.5	44.3	45.8	47.5	50.1	50.6	53.4	53.6	54.3	56.7	58.4	60.8
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
32.1	29.6	30.5	32.1	35.6	36.0	38.6	39.8	40.7	42.9	44.7	47.2
23.7	21.7	22.1	23.8	27.2	27.1	30.1	31.1	31.9	34.2	35.9	38.4
13.1	10.8	11.4	12.4	15.5	15.1	17.6	18.5	18.8	20.5	22.2	24.8
Share of Individual Income Tax Liabilities											
-1.9	-1.4	-2.1	-2.5	-2.6	-4.0	-4.7	-5.1	-5.2	-5.4	-4.8	-3.7
4.0	5.3	4.5	3.7	3.1	2.3	2.2	1.8	2.1	1.1	1.0	0.8
12.9	13.4	13.1	12.3	11.2	11.4	10.4	10.4	10.2	8.3	7.6	6.6
22.0	22.5	22.3	21.5	20.3	21.1	19.1	19.2	18.8	17.3	16.0	14.9
63.0	60.1	62.2	64.9	68.0	69.2	72.9	73.7	74.1	78.8	80.2	81.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
47.4	44.1	45.7	48.6	52.6	53.4	57.4	59.3	59.9	64.5	66.5	68.1
37.1	34.3	35.4	38.3	42.7	42.5	47.1	48.8	49.4	53.9	55.9	58.0
21.5	18.1	19.6	21.5	26.0	24.9	28.7	30.1	30.2	33.5	36.0	38.8
Share of Social Insurance Tax Liabilities											
5.4	5.7	5.6	5.4	5.3	5.2	5.7	5.9	6.1	6.4	6.3	6.0
14.3	15.1	14.4	14.1	13.9	13.6	14.0	14.1	14.2	14.0	13.9	13.3
23.1	22.6	21.5	21.6	21.1	21.0	20.4	20.8	20.5	20.2	20.0	19.4
28.9	28.5	28.1	28.1	28.1	27.9	27.1	27.4	27.4	27.0	26.8	26.9
28.2	28.0	30.3	30.6	31.4	32.3	32.6	31.7	31.8	32.3	33.0	34.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
13.8	13.5	15.2	15.0	16.4	17.3	17.1	17.1	17.4	17.6	18.1	19.0
6.9	7.0	8.1	8.0	9.1	9.8	9.7	9.6	9.9	10.3	10.5	11.2
1.6	1.5	1.9	1.7	2.0	2.8	2.7	2.8	2.9	3.1	3.3	3.7

(Continued)

Table B2-B.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Corporate Income Tax Liabilities										
Lowest Quintile	2.1	2.3	2.4	2.9	2.4	2.3	2.3	1.8	2.0	2.1
Second Quintile	4.3	4.4	4.8	5.6	5.0	3.9	4.7	3.5	4.5	4.2
Middle Quintile	7.1	7.3	7.4	8.1	6.5	6.5	7.0	5.7	6.9	7.1
Fourth Quintile	12.2	12.6	12.1	12.1	11.2	11.0	11.1	8.6	11.1	10.7
Highest Quintile	73.6	72.1	71.9	69.3	73.0	74.1	73.1	79.3	73.1	72.7
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	62.9	61.4	61.6	59.5	63.8	65.6	63.9	72.2	64.2	64.4
Top 5 Percent	53.9	52.3	53.6	51.7	57.0	57.9	56.4	65.7	55.6	57.3
Top 1 Percent	34.0	34.5	37.7	36.6	42.5	43.3	40.9	51.8	38.8	41.7
Share of Federal Excise Tax Liabilities										
Lowest Quintile	10.9	11.1	11.2	11.8	14.4	14.7	14.1	12.7	12.1	11.7
Second Quintile	17.8	17.9	18.0	18.0	17.7	18.0	17.9	17.8	17.2	17.8
Middle Quintile	22.5	22.4	22.3	22.7	20.8	20.2	20.0	20.4	21.1	21.1
Fourth Quintile	23.9	23.3	23.6	24.2	22.5	22.4	22.3	22.1	22.7	22.5
Highest Quintile	24.2	24.4	23.8	22.7	23.8	24.0	25.0	26.3	26.3	26.5
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	13.1	13.5	12.8	12.0	12.7	13.4	14.2	15.1	15.0	14.9
Top 5 Percent	7.9	8.1	7.6	7.0	7.8	8.4	8.9	9.5	9.0	9.2
Top 1 Percent	2.5	2.8	3.0	2.3	3.1	3.8	3.7	4.1	3.6	3.8

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. A household with children has at least one member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B2-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Corporate Income Tax Liabilities											
2.0	1.8	2.1	2.0	1.7	1.6	1.6	1.5	1.4	1.3	1.1	1.0
4.2	4.4	4.8	4.3	3.6	3.4	3.6	3.3	3.0	2.6	2.7	2.3
5.9	6.7	7.1	6.9	5.3	5.7	4.8	5.1	4.8	4.2	4.3	3.7
10.3	11.2	10.7	9.8	9.1	9.5	8.6	8.5	8.7	8.0	7.6	7.1
74.2	72.9	72.1	75.1	78.4	77.8	79.5	80.1	80.7	82.6	83.1	84.7
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
65.4	62.8	62.5	66.6	70.1	69.6	71.9	72.7	73.5	76.3	76.1	78.2
57.9	56.0	54.6	58.9	62.6	62.1	65.5	66.1	66.3	69.8	69.7	71.8
43.0	38.9	38.8	42.0	47.3	46.8	49.4	50.3	50.4	54.4	54.8	57.8
Share of Federal Excise Tax Liabilities											
12.3	13.0	13.5	13.2	14.3	13.9	13.7	14.4	15.4	14.9	14.2	13.2
17.3	18.1	18.3	19.0	18.5	18.0	18.5	19.7	18.9	18.3	18.5	17.9
21.1	20.7	20.8	20.5	19.8	20.0	19.8	19.9	19.6	19.5	19.1	18.9
23.1	22.4	22.1	22.4	21.9	22.2	21.6	21.1	20.5	20.7	21.2	21.2
25.8	25.3	24.9	24.5	24.9	25.3	25.9	24.5	25.1	26.2	26.9	28.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
14.2	14.2	14.2	13.4	14.2	14.6	14.2	14.0	15.2	15.5	15.5	16.5
8.4	8.8	8.8	8.1	8.6	8.6	8.7	8.4	9.4	9.8	9.7	10.3
3.2	3.0	3.3	2.7	3.0	3.0	3.2	3.0	3.5	3.9	3.4	3.7

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B2-C.

Number of Households, Average Income and Income Shares, and Income Category Minimums for Households with Children, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Number of Households (Millions)										
Lowest Quintile	6.5	6.7	6.8	7.0	7.4	7.2	7.6	7.7	8.2	8.1
Second Quintile	7.1	7.2	7.2	7.2	7.2	7.2	7.4	7.5	7.2	7.3
Middle Quintile	7.4	7.4	7.3	7.2	7.1	7.2	7.2	7.1	7.2	7.3
Fourth Quintile	6.8	6.7	6.6	6.6	6.5	6.6	6.6	6.6	6.6	6.7
Highest Quintile	4.8	4.7	4.7	4.6	4.7	4.8	4.9	5.0	5.0	5.0
All Quintiles	32.6	33.0	32.8	32.8	33.0	33.2	33.9	34.2	34.3	34.6
Top 10 Percent	2.1	2.1	2.0	2.0	2.1	2.2	2.2	2.2	2.3	2.2
Top 5 Percent	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Top 1 Percent	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Average Income (2000 dollars)										
<i>Pretax Income</i>										
Lowest Quintile	19,100	18,000	17,400	16,600	16,000	16,500	16,500	16,400	15,500	15,800
Second Quintile	37,600	36,000	35,800	34,800	33,800	35,700	36,000	36,800	36,100	36,800
Middle Quintile	54,300	52,400	52,300	51,600	51,200	53,200	54,300	55,800	55,600	56,500
Fourth Quintile	73,100	71,300	71,900	71,300	71,200	74,300	75,200	77,900	78,400	79,800
Highest Quintile	138,900	135,500	135,300	134,500	142,000	151,000	150,700	176,900	165,900	175,400
All Quintiles	59,500	57,000	56,500	55,100	55,600	58,900	59,200	64,000	61,700	63,300
Top 10 Percent	190,000	185,400	187,300	185,800	202,100	214,600	211,100	264,300	237,000	257,500
Top 5 Percent	257,100	254,400	259,900	252,700	281,900	301,700	298,200	397,400	334,300	369,800
Top 1 Percent	543,200	515,900	534,600	540,900	628,400	696,600	680,700	1,084,700	758,700	927,400
<i>After-Tax Income</i>										
Lowest Quintile	17,400	16,400	15,700	15,000	14,300	14,500	14,700	14,600	14,200	14,500
Second Quintile	31,600	30,300	29,700	29,200	28,300	29,600	29,800	30,500	30,200	30,700
Middle Quintile	43,700	42,100	41,500	41,400	41,200	42,600	43,400	44,600	44,900	45,300
Fourth Quintile	57,500	55,600	55,400	55,700	56,200	58,300	59,000	61,000	61,900	62,600
Highest Quintile	102,900	100,300	100,300	102,700	108,500	115,400	115,700	135,700	123,700	131,700
All Quintiles	47,000	44,800	44,100	43,700	44,200	46,600	46,900	50,500	48,500	49,800
Top 10 Percent	136,800	134,200	136,900	140,900	152,900	162,500	161,100	201,700	173,400	190,600
Top 5 Percent	180,300	180,100	187,600	190,400	211,300	226,400	226,200	301,900	240,600	270,000
Top 1 Percent	356,400	351,400	375,700	402,200	459,000	508,600	506,700	814,900	525,800	661,000

Table B2-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of Households (Millions)											
8.0	8.0	8.0	8.1	8.2	8.4	8.3	8.6	8.5	8.6	8.5	8.6
7.4	7.7	7.9	8.1	8.3	8.3	8.4	8.6	8.6	8.5	8.5	8.6
7.3	7.3	7.3	7.5	7.6	7.7	7.5	7.7	7.7	7.6	7.5	7.7
6.7	6.7	6.7	6.8	7.1	7.1	7.0	7.1	7.2	7.1	7.2	7.4
5.0	5.0	5.2	5.3	5.6	5.6	5.8	5.5	5.6	5.7	5.8	6.2
34.6	34.9	35.3	35.9	36.9	37.2	37.1	37.6	37.8	37.6	37.6	38.5
2.3	2.3	2.3	2.4	2.5	2.6	2.7	2.6	2.7	2.7	2.8	2.9
1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.3	1.4	1.4	1.4	1.5
0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Average Income (2000 dollars)											
<i>Pretax Income</i>											
16,700	17,400	17,500	17,100	17,700	17,500	18,800	18,400	19,200	20,200	20,700	19,900
37,300	38,000	37,000	36,400	36,600	37,100	38,700	38,400	39,300	41,000	42,200	41,600
57,500	57,200	56,400	56,300	56,500	57,500	59,300	59,700	60,800	62,900	64,700	64,400
80,900	80,600	79,400	80,200	80,700	82,300	84,000	85,200	87,100	90,600	92,500	93,500
178,000	168,900	164,300	170,300	175,800	176,200	189,400	201,200	211,200	228,400	242,900	257,800
65,000	63,700	62,800	63,800	65,400	66,100	70,000	70,400	73,400	77,800	82,100	85,200
257,500	239,800	233,400	245,500	252,700	249,900	275,100	292,700	309,100	340,900	369,100	398,500
370,400	330,800	325,800	347,300	356,900	353,900	389,400	425,000	450,600	498,900	558,400	607,900
887,000	746,800	718,900	835,100	886,600	812,800	976,000	1,056,200	1,165,600	1,323,700	1,580,200	1,799,200
<i>After-Tax Income</i>											
15,400	15,800	16,000	15,800	16,400	16,600	17,900	17,700	18,500	19,400	19,800	18,900
31,300	31,600	31,100	30,800	31,000	31,700	33,000	32,800	33,500	35,300	36,300	35,900
46,100	45,800	45,200	45,300	45,700	46,400	47,900	48,300	49,000	51,300	52,700	52,700
63,500	63,100	62,200	63,000	63,400	64,600	66,000	66,900	68,200	71,500	73,000	73,700
133,900	127,200	122,700	127,100	128,200	127,800	136,200	144,300	151,400	164,200	173,400	183,600
51,100	50,100	49,300	50,300	51,100	51,600	54,500	54,800	56,900	60,700	63,600	65,700
191,200	178,600	171,500	180,000	179,000	175,900	191,900	203,600	215,200	238,600	256,400	276,500
271,500	243,500	235,800	250,600	246,100	241,800	263,700	286,900	305,600	341,600	379,500	413,200
636,800	536,200	505,500	581,900	576,300	519,300	618,200	672,200	751,800	872,600	1,040,100	1,190,300

(Continued)

Table B2-C.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Income (Percent)										
<i>Pretax Income</i>										
Lowest Quintile	6.3	6.4	6.4	6.5	6.4	6.1	6.2	5.8	6.0	5.9
Second Quintile	13.7	13.9	13.9	13.8	13.2	13.2	13.2	12.6	12.2	12.3
Middle Quintile	20.6	20.7	20.6	20.6	19.7	19.4	19.4	18.2	18.9	18.8
Fourth Quintile	25.6	25.4	25.8	26.0	25.1	24.9	24.8	23.7	24.6	24.4
Highest Quintile	34.1	34.1	34.0	33.9	36.5	37.3	37.1	40.4	39.1	39.7
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	20.7	20.7	20.4	20.4	22.6	23.6	23.4	27.0	25.3	25.9
Top 5 Percent	13.8	13.7	13.6	13.6	15.7	16.4	15.8	19.7	17.8	18.7
Top 1 Percent	5.7	6.0	6.3	6.0	7.8	8.2	7.5	11.1	9.0	9.8
<i>After-Tax Income</i>										
Lowest Quintile	7.3	7.4	7.4	7.4	7.2	6.8	7.0	6.5	7.0	6.8
Second Quintile	14.6	14.8	14.8	14.6	13.9	13.8	13.8	13.2	13.0	13.1
Middle Quintile	21.0	21.1	20.9	20.8	20.0	19.7	19.6	18.4	19.4	19.2
Fourth Quintile	25.5	25.2	25.5	25.6	24.9	24.8	24.6	23.5	24.7	24.4
Highest Quintile	32.0	32.1	32.3	32.6	35.1	36.1	36.0	39.3	37.1	37.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	18.9	19.1	19.1	19.5	21.6	22.6	22.6	26.1	23.5	24.4
Top 5 Percent	12.3	12.3	12.5	12.9	14.9	15.6	15.2	19.0	16.3	17.4
Top 1 Percent	4.8	5.2	5.7	5.6	7.2	7.6	7.1	10.6	7.9	8.9
Minimum Adjusted Income^a (2000 dollars)										
Lowest Quintile	0	0	0	0	0	0	0	0	0	0
Second Quintile	14,400	13,800	13,600	13,200	12,700	13,500	13,500	13,700	13,200	13,600
Middle Quintile	22,800	22,000	21,900	21,400	21,200	22,100	22,500	23,100	23,000	23,500
Fourth Quintile	31,300	30,400	30,600	30,200	30,200	31,600	32,100	33,200	33,400	34,100
Highest Quintile	43,600	42,600	43,000	43,000	43,300	45,200	45,900	47,900	48,500	49,400
Top 10 Percent	55,700	55,100	55,100	55,500	56,200	59,200	60,300	63,000	63,900	65,500
Top 5 Percent	70,700	69,200	69,900	69,500	71,100	75,100	77,000	81,800	81,700	84,000
Top 1 Percent	138,300	134,200	132,400	133,000	138,900	148,500	154,400	179,300	168,200	181,000

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. A household with children has at least one member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B2-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Income (Percent)											
<i>Pretax Income</i>											
5.9	6.3	6.3	6.1	6.0	6.0	6.0	6.0	5.9	5.9	5.7	5.2
12.2	13.1	13.1	12.8	12.6	12.5	12.6	12.5	12.2	11.9	11.6	10.9
18.7	18.9	18.5	18.3	17.9	18.0	17.2	17.4	16.9	16.3	15.8	15.1
24.2	24.2	24.1	23.8	23.7	23.9	22.7	22.8	22.5	21.9	21.5	21.0
39.9	38.2	38.7	39.6	40.5	40.4	42.2	42.0	43.0	44.5	46.0	48.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
26.5	24.6	24.7	25.6	26.7	26.6	28.3	28.9	30.1	31.6	33.0	35.3
18.9	17.5	17.1	18.1	19.2	18.7	20.7	21.2	22.3	23.9	25.3	27.5
9.9	8.2	8.2	8.7	9.7	9.2	10.6	11.2	11.9	13.3	14.7	16.8
<i>After-Tax Income</i>											
7.0	7.3	7.4	7.1	7.1	7.2	7.3	7.4	7.3	7.3	7.0	6.4
13.0	13.9	14.0	13.8	13.7	13.7	13.8	13.7	13.4	13.2	12.9	12.2
19.0	19.2	18.9	18.7	18.5	18.5	17.8	18.1	17.6	17.1	16.6	16.0
24.2	24.1	24.0	23.8	23.9	24.0	22.9	23.0	22.7	22.2	21.9	21.4
38.2	36.6	36.8	37.5	37.8	37.5	39.0	38.7	39.7	41.0	42.4	44.7
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
25.0	23.3	23.1	23.8	24.2	24.0	25.4	25.8	27.0	28.3	29.6	31.8
17.6	16.3	15.7	16.6	16.9	16.4	18.0	18.4	19.5	21.0	22.2	24.2
9.0	7.4	7.3	7.7	8.1	7.5	8.7	9.2	9.9	11.2	12.5	14.4
Minimum Adjusted Income^a (2000 dollars)											
0	0	0	0	0	0	0	0	0	0	0	0
13,900	14,200	14,200	13,800	14,000	14,200	14,900	14,600	15,000	15,700	16,100	15,800
23,900	23,900	23,500	23,600	23,700	24,000	24,800	25,100	25,400	26,400	26,900	26,800
34,400	34,200	33,900	34,200	34,100	34,900	35,500	36,000	36,600	37,900	38,700	38,900
50,100	49,400	48,700	49,300	49,700	50,500	51,800	52,800	54,000	56,100	57,800	58,400
66,500	65,300	64,300	65,500	65,900	66,800	69,200	71,100	73,200	76,400	78,600	80,100
86,100	84,700	83,200	85,900	85,600	87,500	91,000	93,700	98,300	102,500	105,700	108,400
183,600	175,100	171,700	181,600	178,700	184,100	195,800	206,700	219,400	234,000	249,700	257,100

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

a. The minimum adjusted income is the lower income boundary for each quintile.

Table B3-A.

Effective Federal Tax Rates for Elderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Effective Tax Rate										
Lowest Quintile	3.5	2.7	2.2	2.0	2.4	2.7	2.6	2.6	3.1	3.0
Second Quintile	6.6	5.3	4.8	3.9	4.2	4.9	4.7	4.8	4.9	5.1
Middle Quintile	12.2	10.8	9.6	8.0	8.3	8.9	8.7	8.6	9.1	9.4
Fourth Quintile	16.4	15.4	14.2	11.6	12.2	13.0	12.8	12.3	13.7	13.9
Highest Quintile	30.7	28.8	26.7	22.9	22.5	24.3	23.6	22.7	25.8	25.8
All Quintiles	20.2	18.9	17.6	15.1	15.4	16.6	16.2	15.9	17.0	17.4
Top 10 Percent	33.2	31.2	28.9	25.0	24.7	26.2	25.4	23.9	27.7	27.4
Top 5 Percent	35.5	33.4	30.9	26.7	26.3	27.7	26.5	24.9	29.2	29.0
Top 1 Percent	40.2	37.9	34.5	29.4	28.9	29.7	28.4	26.2	31.6	31.3
Effective Individual Income Tax Rate										
Lowest Quintile	0	0.1	0.1	0.1	0.1	0	0.1	0.1	0.1	0
Second Quintile	0.5	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.5	0.6
Middle Quintile	2.5	2.7	2.8	2.7	2.3	2.2	2.4	2.2	2.1	2.4
Fourth Quintile	5.0	5.6	5.8	5.4	5.0	5.1	5.3	4.9	4.9	5.3
Highest Quintile	14.3	15.3	15.7	15.1	13.5	14.4	14.6	14.0	13.9	14.2
All Quintiles	8.2	8.8	9.2	8.9	8.1	8.5	8.8	8.5	7.8	8.3
Top 10 Percent	16.0	17.1	17.5	17.1	15.3	16.2	16.2	15.3	15.4	15.5
Top 5 Percent	17.6	18.7	19.1	18.7	16.7	17.4	17.2	16.3	16.5	16.8
Top 1 Percent	20.9	22.2	22.0	21.1	19.1	19.2	19.1	17.9	18.4	18.9
Effective Social Insurance Tax Rate										
Lowest Quintile	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Second Quintile	1.6	1.4	1.4	1.3	1.1	1.3	1.3	1.4	1.2	1.3
Middle Quintile	2.6	2.3	2.3	2.2	2.0	2.2	2.1	2.2	2.0	2.0
Fourth Quintile	2.8	2.8	2.6	2.5	2.6	2.6	2.7	2.6	2.8	2.8
Highest Quintile	1.9	1.8	2.0	2.1	2.0	2.1	2.0	1.9	2.0	2.0
All Quintiles	1.9	1.8	1.9	2.0	1.9	2.0	2.0	1.9	2.0	2.0
Top 10 Percent	1.5	1.5	1.7	1.8	1.7	1.7	1.7	1.5	1.6	1.6
Top 5 Percent	1.1	1.2	1.4	1.5	1.4	1.3	1.3	1.2	1.3	1.2
Top 1 Percent	0.5	0.5	0.7	0.8	0.7	0.7	0.8	0.6	0.7	0.6

Table B3-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Effective Tax Rate											
2.7	2.8	3.1	3.3	3.4	3.3	3.4	3.4	3.1	3.3	3.4	3.4
4.9	4.9	4.8	4.8	4.8	4.5	4.8	4.7	4.5	4.8	5.3	5.1
8.9	8.9	8.3	8.3	8.5	8.4	8.8	8.8	8.5	8.6	9.0	8.9
13.5	13.3	12.6	12.7	12.9	13.0	13.4	13.2	13.2	13.3	14.2	14.0
24.8	24.3	23.4	24.1	25.5	26.6	27.1	27.5	26.9	25.9	26.2	25.8
16.8	16.5	15.7	16.2	16.9	17.4	18.1	19.1	19.0	18.5	18.9	18.6
26.5	26.0	25.4	26.3	27.9	29.2	29.8	30.2	29.3	27.9	28.1	27.8
27.8	27.5	27.0	28.0	30.3	31.1	32.0	32.1	31.1	29.5	29.7	29.2
29.9	29.7	29.6	31.1	34.1	35.4	35.8	35.8	34.2	32.1	32.0	31.6
Effective Individual Income Tax Rate											
0.1	0	0.1	0.1	0	0	0	0	0	0	0	0.1
0.6	0.7	0.6	0.4	0.4	0.3	0.4	0.4	0.4	0.5	0.7	0.7
2.5	2.6	2.4	2.1	2.0	2.1	2.2	2.3	2.4	2.6	2.7	2.9
5.4	5.5	5.1	4.9	4.7	4.6	4.8	4.8	4.9	5.4	6.2	6.5
13.7	13.5	12.8	12.7	12.6	13.2	13.6	14.4	14.6	14.6	15.2	15.4
8.2	8.0	7.5	7.4	7.3	7.5	8.0	9.0	9.3	9.4	9.9	10.1
15.0	14.7	14.2	14.1	14.0	14.7	15.2	16.2	16.2	16.0	16.6	16.9
16.0	15.9	15.3	15.2	15.5	15.8	16.5	17.5	17.4	17.1	17.8	18.1
17.7	17.6	17.3	17.7	18.3	18.5	19.0	20.1	19.8	19.2	19.9	20.1
Effective Social Insurance Tax Rate											
0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.6	0.5	0.6	0.6	0.6
1.3	1.4	1.3	1.3	1.2	1.1	1.3	1.3	1.3	1.3	1.6	1.6
1.9	2.1	1.9	1.8	2.0	1.8	2.1	2.0	1.9	2.0	2.0	2.0
2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.7	2.9	2.9
1.9	2.1	2.2	2.3	2.2	2.2	2.2	2.1	1.9	2.0	1.9	2.0
1.9	2.1	2.0	2.1	2.0	2.0	2.1	2.0	2.0	2.0	2.0	2.0
1.6	1.8	2.0	2.0	2.0	2.0	2.0	1.9	1.7	1.7	1.7	1.7
1.3	1.4	1.6	1.7	1.6	1.8	1.7	1.6	1.5	1.4	1.4	1.4
0.7	0.7	1.0	0.9	0.9	1.1	1.1	1.0	0.9	0.9	0.9	0.9

(Continued)

Table B3-A.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Effective Corporate Income Tax Rate										
Lowest Quintile	1.6	1.2	0.7	0.4	0.6	0.7	0.6	0.7	1.0	0.9
Second Quintile	3.3	2.4	1.8	1.1	1.4	1.7	1.6	1.6	1.9	2.0
Middle Quintile	6.0	4.9	3.7	2.3	2.9	3.3	3.0	3.0	3.8	3.7
Fourth Quintile	7.5	6.1	4.9	2.9	3.6	4.3	3.8	3.8	5.1	4.7
Highest Quintile	13.7	11.0	8.4	5.0	6.4	7.2	6.4	6.1	9.1	8.9
All Quintiles	9.2	7.4	5.7	3.5	4.5	5.1	4.6	4.5	6.2	6.1
Top 10 Percent	15.0	12.0	9.2	5.5	7.1	7.8	7.0	6.5	10.0	9.7
Top 5 Percent	16.2	12.9	9.9	6.0	7.6	8.5	7.5	6.8	10.7	10.4
Top 1 Percent	18.2	14.6	11.4	7.1	8.6	9.4	8.2	7.3	11.9	11.3
Effective Excise Tax Rate										
Lowest Quintile	1.3	1.1	1.0	1.1	1.4	1.5	1.5	1.4	1.7	1.6
Second Quintile	1.1	0.9	0.8	0.9	1.1	1.3	1.3	1.2	1.3	1.3
Middle Quintile	1.1	0.9	0.8	0.9	1.1	1.2	1.2	1.2	1.2	1.1
Fourth Quintile	1.0	0.9	0.8	0.8	1.0	1.1	1.0	1.0	1.0	1.0
Highest Quintile	0.8	0.7	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.7
All Quintiles	0.9	0.8	0.7	0.8	0.9	0.9	0.9	0.9	1.0	0.9
Top 10 Percent	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.7	0.7
Top 5 Percent	0.7	0.6	0.5	0.5	0.6	0.5	0.5	0.6	0.7	0.6
Top 1 Percent	0.6	0.5	0.4	0.5	0.5	0.4	0.4	0.5	0.5	0.5

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships. An elderly childless household is one headed by a person age 65 or older with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B3-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Effective Corporate Income Tax Rate											
0.8	0.8	0.8	0.8	1.0	0.9	0.9	0.9	0.7	0.7	0.6	0.7
1.9	1.7	1.5	1.6	1.8	1.6	1.6	1.6	1.4	1.5	1.4	1.4
3.5	3.1	2.8	3.1	3.2	3.2	3.2	3.3	3.0	2.8	2.9	2.8
4.6	4.3	3.9	4.1	4.5	4.7	4.8	4.8	4.6	4.1	3.9	3.5
8.5	8.2	7.7	8.5	10.0	10.5	10.6	10.3	9.7	8.7	8.3	7.7
5.9	5.5	5.1	5.7	6.5	6.7	7.0	7.2	6.8	6.1	5.9	5.5
9.4	9.0	8.6	9.6	11.2	11.9	12.0	11.6	10.8	9.6	9.2	8.6
10.0	9.7	9.5	10.4	12.5	13.0	13.3	12.6	11.8	10.5	10.0	9.2
11.1	11.0	10.9	12.1	14.4	15.4	15.2	14.4	13.2	11.6	10.9	10.3
Effective Excise Tax Rate											
1.4	1.5	1.7	1.9	1.9	2.0	2.0	2.0	1.9	1.9	2.1	2.0
1.1	1.2	1.3	1.4	1.4	1.5	1.5	1.4	1.4	1.4	1.6	1.5
1.0	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.2	1.2	1.4	1.3
0.9	1.0	1.1	1.1	1.1	1.2	1.1	1.1	1.0	1.1	1.2	1.1
0.6	0.6	0.7	0.7	0.8	0.7	0.7	0.6	0.6	0.7	0.7	0.7
0.8	0.9	1.0	1.0	1.1	1.1	1.0	0.9	0.9	0.9	1.0	1.0
0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.5	0.6	0.6	0.6	0.6
0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
0.4	0.3	0.4	0.4	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.4

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B3-B.

Shares of Tax Liabilities for Elderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Total Federal Tax Liabilities										
Lowest Quintile	1.9	1.5	1.1	0.9	0.9	1.0	1.0	0.9	1.0	0.9
Second Quintile	4.3	3.6	3.3	3.1	3.2	3.2	3.0	3.0	3.5	3.4
Middle Quintile	7.6	7.2	7.2	7.4	7.9	7.7	7.7	8.1	8.8	8.8
Fourth Quintile	11.3	12.6	13.3	13.5	14.2	15.1	15.3	14.5	16.2	15.3
Highest Quintile	74.9	75.0	75.0	75.0	73.8	72.9	72.9	73.4	70.4	71.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	64.5	64.3	63.9	63.1	61.2	61.3	62.6	63.8	60.2	61.7
Top 5 Percent	56.1	55.1	54.0	53.5	51.2	50.8	53.1	54.8	50.9	51.8
Top 1 Percent	37.4	34.6	32.1	33.0	32.2	33.0	34.7	37.2	31.1	33.6
Share of Individual Income Tax Liabilities										
Lowest Quintile	0.1	0.1	0.1	0.1	0	0	0.1	0	0.1	0
Second Quintile	0.9	0.9	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.8
Middle Quintile	3.9	3.9	4.1	4.2	4.1	3.7	4.0	3.9	4.3	4.8
Fourth Quintile	8.5	9.8	10.5	10.8	11.0	11.5	11.8	10.9	12.5	12.3
Highest Quintile	86.7	85.4	84.5	84.2	84.0	84.0	83.5	84.5	82.4	82.1
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	77.1	75.5	74.0	73.1	72.2	73.4	74.1	75.9	72.4	72.9
Top 5 Percent	68.5	66.2	64.0	63.3	62.0	62.1	64.1	66.7	62.3	62.5
Top 1 Percent	48.2	43.5	39.2	40.1	40.4	41.3	43.4	47.2	39.3	42.3
Share of Social Insurance Tax Liabilities										
Lowest Quintile	3.0	2.5	2.0	1.4	1.2	1.3	1.3	1.1	1.1	1.3
Second Quintile	11.5	9.7	9.0	7.7	7.0	7.2	6.7	7.0	7.2	7.3
Middle Quintile	17.1	15.7	15.6	15.4	15.2	15.8	15.2	17.3	16.8	16.6
Fourth Quintile	20.8	23.5	22.4	22.2	24.3	24.6	26.3	25.0	27.9	27.2
Highest Quintile	48.4	48.6	50.9	53.2	52.1	51.0	50.3	49.6	47.0	47.5
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	30.6	31.8	34.0	35.0	34.1	32.5	34.4	33.0	30.2	30.8
Top 5 Percent	18.7	19.9	21.8	23.0	21.5	19.6	21.9	21.5	19.5	18.6
Top 1 Percent	4.5	4.8	5.6	6.8	6.6	6.5	7.5	6.8	5.7	5.6

Table B3-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Total Federal Tax Liabilities											
0.8	1.0	1.2	1.1	1.1	1.0	1.0	0.8	0.7	0.7	0.7	0.8
3.4	3.3	3.3	3.2	3.2	2.9	2.7	2.2	2.0	2.1	2.3	2.2
8.3	8.8	9.8	8.7	8.7	8.9	8.5	7.4	7.2	7.9	8.3	8.1
15.2	15.7	15.5	15.6	14.6	14.1	13.8	12.5	12.0	11.7	11.8	11.9
72.1	71.0	69.9	71.2	72.0	72.8	73.7	76.8	77.8	77.3	76.7	76.6
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
61.0	59.8	57.5	59.6	61.2	61.8	61.6	65.3	65.7	65.3	64.9	64.2
51.1	48.7	47.1	49.1	50.1	52.0	50.6	54.4	55.3	54.0	54.4	53.6
31.0	29.7	28.2	29.4	31.6	32.3	31.5	35.4	35.0	34.8	35.8	33.9
Share of Individual Income Tax Liabilities											
0	0	0.1	0	0	0	0	0	0	0	0	0
0.9	0.9	0.8	0.6	0.7	0.5	0.6	0.4	0.4	0.5	0.6	0.6
4.7	5.2	5.8	4.8	4.8	5.0	4.8	4.0	4.2	4.8	4.8	4.8
12.4	13.2	13.2	13.1	12.4	11.4	11.1	9.6	9.2	9.4	9.8	10.2
81.9	80.7	80.1	81.4	82.1	83.0	83.4	85.9	86.2	85.4	84.8	84.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
70.9	69.4	67.4	69.5	71.1	71.6	70.8	74.4	74.1	73.4	73.2	72.0
60.5	57.9	56.0	58.3	59.4	60.8	59.0	63.1	63.1	61.5	62.2	61.1
37.8	36.2	34.6	36.5	39.2	38.8	37.9	42.3	41.3	40.8	42.3	39.8
Share of Social Insurance Tax Liabilities											
1.2	1.4	1.6	1.2	1.2	1.0	1.1	1.2	1.1	1.3	1.2	1.4
7.7	7.7	7.1	6.8	6.6	6.0	6.1	5.7	5.6	5.4	6.4	6.3
15.7	17.1	17.2	15.0	16.7	16.4	17.3	15.5	15.6	16.6	17.1	16.5
25.7	24.6	23.6	24.8	24.5	23.9	23.5	22.4	22.8	22.0	22.4	22.2
49.4	49.0	50.2	52.1	50.9	52.3	51.7	55.0	54.6	54.5	52.7	53.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
32.5	32.9	34.2	35.0	35.6	36.3	35.5	38.2	37.6	37.1	36.0	36.4
20.8	20.3	22.2	23.8	21.8	25.3	23.2	25.2	25.1	23.6	23.2	24.1
6.3	5.7	7.1	6.7	6.9	8.8	8.5	9.0	8.7	8.8	9.6	8.6

(Continued)

Table B3-B.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Corporate Income Tax Liabilities										
Lowest Quintile	1.9	1.6	1.1	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Second Quintile	4.8	4.1	4.0	3.7	3.5	3.6	3.5	3.5	3.8	3.7
Middle Quintile	8.3	8.3	8.4	9.3	9.5	9.4	9.5	9.9	10.1	10.0
Fourth Quintile	11.4	12.8	14.0	14.5	14.3	16.1	15.9	15.9	16.6	14.8
Highest Quintile	73.5	73.1	72.3	71.4	71.7	69.9	69.9	69.8	68.4	70.3
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	63.9	62.7	62.1	60.9	59.9	59.2	60.4	61.1	59.7	62.0
Top 5 Percent	56.2	54.1	53.0	52.5	50.8	50.5	52.6	52.9	51.5	53.0
Top 1 Percent	37.3	34.0	32.4	34.7	32.8	34.0	35.2	36.4	32.2	34.7
Share of Federal Excise Tax Liabilities										
Lowest Quintile	14.7	13.3	11.6	9.7	8.7	10.0	10.2	8.3	9.1	9.2
Second Quintile	15.4	14.6	14.0	14.4	14.6	14.7	14.6	13.3	16.4	15.6
Middle Quintile	14.1	14.3	15.2	16.3	17.7	18.2	19.0	19.6	20.0	19.9
Fourth Quintile	15.0	16.9	18.2	19.5	20.3	22.0	22.2	20.3	19.6	19.7
Highest Quintile	40.5	40.6	40.6	39.8	38.4	34.7	33.7	38.3	34.7	35.5
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	30.3	29.9	29.8	28.4	26.5	23.9	24.0	29.7	26.5	27.2
Top 5 Percent	23.2	22.3	22.0	21.2	19.5	16.6	17.6	22.9	20.1	19.9
Top 1 Percent	11.8	10.6	9.9	10.2	9.7	7.9	8.1	12.4	9.4	10.0

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. An elderly childless household is one headed by a person age 65 or older with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B3-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Corporate Income Tax Liabilities											
0.7	0.8	0.9	0.8	0.8	0.7	0.7	0.5	0.4	0.5	0.5	0.6
3.8	3.3	3.2	3.1	3.1	2.6	2.3	2.0	1.7	2.1	1.9	2.1
9.3	9.2	10.1	9.3	8.6	8.6	8.1	7.5	7.1	7.7	8.5	8.6
14.8	15.0	14.8	14.5	13.2	13.1	12.9	12.2	11.8	10.9	10.3	10.2
71.1	71.1	70.2	71.6	73.7	74.3	75.2	76.9	78.3	78.2	78.1	77.9
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
61.7	61.5	59.5	62.3	64.2	65.0	64.7	66.9	67.7	67.9	68.0	67.1
52.6	51.3	50.5	52.5	53.9	56.2	54.5	56.8	58.1	57.8	58.4	57.2
33.0	32.8	31.8	32.7	34.7	36.3	34.9	37.9	37.5	38.1	38.8	37.3
Share of Federal Excise Tax Liabilities											
8.8	9.9	10.0	9.9	9.5	9.1	10.0	9.2	8.4	8.3	8.4	8.9
15.5	14.6	14.3	14.6	14.7	15.4	14.8	13.5	12.5	12.0	12.4	12.2
19.4	20.2	22.7	20.9	21.1	22.8	20.9	20.9	20.7	21.6	22.9	21.9
21.0	21.8	20.4	21.0	19.9	20.0	20.1	20.4	19.2	18.2	18.4	18.1
35.0	33.3	32.3	33.3	34.4	32.1	33.7	35.7	38.9	39.6	37.5	38.5
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
24.6	23.2	21.4	22.8	24.6	21.6	22.0	23.8	26.7	27.6	25.6	26.0
17.5	15.4	14.5	15.5	16.9	15.2	14.5	16.3	19.1	19.3	17.8	18.1
7.5	6.4	5.8	6.3	7.3	6.2	6.1	7.0	8.5	9.0	7.8	7.5

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B3-C.

Number of Households, Average Income and Income Shares, and Income Category Minimums for Elderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Number of Households (Millions)										
Lowest Quintile	6.3	6.1	5.6	5.0	4.5	4.8	5.0	4.9	4.7	4.9
Second Quintile	3.6	3.7	3.8	3.9	4.2	3.9	3.9	4.0	4.7	4.7
Middle Quintile	2.3	2.4	2.6	3.0	3.3	3.3	3.4	3.8	4.0	4.0
Fourth Quintile	1.8	2.1	2.3	2.6	2.8	3.0	3.2	3.3	3.3	3.3
Highest Quintile	2.4	2.6	2.8	3.0	3.2	3.1	3.0	3.0	2.8	2.8
All Quintiles	16.5	16.8	17.2	17.6	17.9	18.1	18.6	19.0	19.5	19.7
Top 10 Percent	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.7
Top 5 Percent	0.9	1.0	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.0
Top 1 Percent	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Average Income (2000 dollars)										
<i>Pretax Income</i>										
Lowest Quintile	10,700	10,500	10,300	9,800	9,400	10,100	9,900	10,000	9,800	10,000
Second Quintile	23,200	22,100	22,000	21,500	20,900	21,900	22,100	22,700	22,400	22,700
Middle Quintile	34,900	34,100	34,100	33,200	32,800	34,700	35,300	36,200	36,300	37,100
Fourth Quintile	49,200	47,500	48,100	47,600	47,300	50,000	50,800	53,200	53,000	53,200
Highest Quintile	128,100	120,600	117,800	116,300	117,600	128,300	140,700	160,700	144,800	157,500
All Quintiles	38,200	37,900	39,100	40,200	41,300	43,600	45,100	48,800	44,700	46,400
Top 10 Percent	167,700	154,400	151,600	153,200	158,300	172,900	189,300	214,700	189,400	206,600
Top 5 Percent	216,600	196,800	191,600	196,600	208,900	232,100	250,000	291,400	250,300	290,800
Top 1 Percent	434,800	394,900	392,600	400,100	449,800	476,400	545,200	640,600	555,300	711,500
<i>After-Tax Income</i>										
Lowest Quintile	10,300	10,200	10,000	9,600	9,200	9,800	9,700	9,700	9,500	9,700
Second Quintile	21,700	21,000	20,900	20,700	20,000	20,800	21,000	21,600	21,300	21,500
Middle Quintile	30,600	30,400	30,800	30,500	30,100	31,600	32,200	33,100	33,000	33,600
Fourth Quintile	41,100	40,200	41,300	42,100	41,600	43,500	44,300	46,600	45,700	45,800
Highest Quintile	88,800	85,800	86,400	89,700	91,100	97,100	107,500	124,200	107,500	116,900
All Quintiles	30,500	30,700	32,200	34,100	34,900	36,400	37,700	41,000	37,100	38,400
Top 10 Percent	112,000	106,200	107,800	115,000	119,200	127,700	141,300	163,300	137,000	149,900
Top 5 Percent	139,600	131,100	132,500	144,100	154,100	167,800	183,700	218,800	177,300	206,400
Top 1 Percent	260,200	245,200	257,300	282,500	319,700	334,900	390,500	472,600	380,000	488,900

Table B3-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of Households (Millions)											
4.9	5.2	5.4	5.1	5.0	5.1	5.2	4.8	4.8	4.8	4.9	5.3
4.8	4.4	4.2	4.3	4.6	4.7	4.4	4.2	4.1	4.0	4.0	4.2
4.0	4.2	4.5	4.3	4.4	4.8	4.7	4.7	4.9	5.3	5.5	5.5
3.3	3.5	3.4	3.5	3.4	3.4	3.6	3.7	3.7	3.5	3.4	3.4
3.1	3.2	3.2	3.2	3.2	3.2	3.5	3.8	4.0	4.0	3.9	4.1
20.1	20.4	20.8	20.4	20.6	21.2	21.4	21.4	21.5	21.6	21.8	22.6
1.8	1.9	1.8	1.8	1.9	1.8	2.0	2.1	2.2	2.3	2.2	2.2
1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2	1.2
0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Average Income (2000 dollars)											
<i>Pretax Income</i>											
10,100	10,100	10,100	9,700	9,900	9,900	10,500	10,200	10,500	11,000	11,400	11,200
23,100	23,400	23,300	23,400	23,200	23,300	24,200	24,300	24,600	26,400	27,200	26,500
37,200	37,300	36,900	36,900	37,400	37,500	38,700	39,000	39,900	41,200	41,800	41,700
53,700	52,800	52,100	52,700	52,800	54,100	54,700	55,800	57,200	60,200	62,200	63,500
149,900	143,500	135,600	141,600	141,600	146,100	146,700	158,700	166,000	175,000	185,900	183,900
47,100	46,100	44,100	45,700	45,700	46,400	48,900	53,300	56,100	59,000	60,800	59,900
200,100	188,800	183,400	190,000	187,000	196,500	199,100	219,800	234,200	244,300	263,300	264,800
269,400	259,500	244,000	258,300	260,000	258,300	277,700	308,600	329,200	355,300	384,200	383,000
628,000	613,200	567,100	629,500	600,300	622,600	650,100	771,000	865,100	939,800	1,020,500	1,077,500
<i>After-Tax Income</i>											
9,800	9,800	9,800	9,400	9,600	9,600	10,100	9,900	10,100	10,700	11,000	10,800
21,900	22,200	22,200	22,300	22,100	22,200	23,100	23,100	23,500	25,100	25,800	25,200
33,900	34,000	33,800	33,800	34,300	34,400	35,400	35,600	36,500	37,600	38,000	38,000
46,500	45,800	45,500	46,000	46,000	47,100	47,400	48,400	49,700	52,200	53,400	54,600
112,800	108,700	103,800	107,500	105,500	107,300	107,000	115,100	121,300	129,600	137,200	136,500
39,100	38,500	37,200	38,300	38,000	38,300	40,100	43,100	45,500	48,100	49,300	48,800
147,000	139,700	136,800	140,100	134,900	139,100	139,800	153,500	165,500	176,100	189,200	191,300
194,400	188,000	178,300	186,100	181,300	178,100	188,800	209,400	226,800	250,300	270,100	271,000
440,500	431,200	399,200	433,600	395,900	402,200	417,600	494,900	569,300	637,900	693,700	736,900

(Continued)

Table B3-C.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Income (Percent)										
<i>Pretax Income</i>										
Lowest Quintile	10.8	10.0	8.6	6.9	5.7	6.1	5.9	5.3	5.3	5.4
Second Quintile	13.3	12.8	12.3	11.9	11.8	10.8	10.3	9.8	12.1	11.6
Middle Quintile	12.6	12.6	13.3	14.0	14.6	14.4	14.5	15.0	16.5	16.3
Fourth Quintile	13.9	15.5	16.5	17.7	17.8	19.2	19.5	18.8	20.0	19.1
Highest Quintile	49.5	49.2	49.5	49.7	50.4	49.7	50.1	51.4	46.4	48.1
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	39.3	38.9	38.9	38.3	38.2	38.8	40.1	42.4	37.0	39.1
Top 5 Percent	32.0	31.2	30.8	30.3	30.0	30.4	32.6	35.0	29.7	31.0
Top 1 Percent	18.9	17.3	16.4	17.0	17.1	18.4	19.9	22.6	16.7	18.7
<i>After-Tax Income</i>										
Lowest Quintile	13.1	12.0	10.2	8.0	6.6	7.1	6.9	6.1	6.2	6.3
Second Quintile	15.6	14.9	14.3	13.5	13.3	12.3	11.8	11.1	13.9	13.3
Middle Quintile	13.9	13.9	14.5	15.2	15.8	15.8	15.8	16.3	18.1	17.9
Fourth Quintile	14.6	16.1	17.2	18.4	18.5	20.1	20.3	19.6	20.8	19.9
Highest Quintile	43.0	43.2	44.0	45.1	46.1	45.1	45.7	47.3	41.5	43.2
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	32.9	33.0	33.6	33.9	34.0	34.3	35.7	38.4	32.2	34.3
Top 5 Percent	25.8	25.6	25.8	26.2	26.1	26.4	28.6	31.2	25.3	26.6
Top 1 Percent	14.2	13.2	13.0	14.2	14.4	15.5	17.0	19.8	13.8	15.5
Minimum Adjusted Income^a (2000 dollars)										
Lowest Quintile	0	0	0	0	0	0	0	0	0	0
Second Quintile	14,400	13,800	13,600	13,200	12,700	13,500	13,500	13,700	13,200	13,600
Middle Quintile	22,800	22,000	21,900	21,400	21,200	22,100	22,500	23,100	23,000	23,500
Fourth Quintile	31,300	30,400	30,600	30,200	30,200	31,600	32,100	33,200	33,400	34,100
Highest Quintile	43,600	42,600	43,000	43,000	43,300	45,200	45,900	47,900	48,500	49,400
Top 10 Percent	55,700	55,100	55,100	55,500	56,200	59,200	60,300	63,000	63,900	65,500
Top 5 Percent	70,700	69,200	69,900	69,500	71,100	75,100	77,000	81,800	81,700	84,000
Top 1 Percent	138,300	134,200	132,400	133,000	138,900	148,500	154,400	179,300	168,200	181,000

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. An elderly childless household is one headed by a person age 65 or older with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B3-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Income (Percent)											
<i>Pretax Income</i>											
5.2	5.6	6.0	5.3	5.3	5.1	5.2	4.4	4.1	4.2	4.2	4.4
11.6	11.0	10.8	10.8	11.3	11.1	10.1	9.0	8.4	8.2	8.2	8.2
15.6	16.4	18.3	17.1	17.3	18.3	17.4	16.1	16.1	17.0	17.4	17.0
19.0	19.4	19.4	19.8	19.2	18.8	18.7	18.1	17.3	16.3	15.7	15.9
49.0	48.2	46.7	47.8	47.7	47.6	49.3	53.5	54.9	55.2	55.3	55.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
38.7	37.9	35.4	36.7	37.1	36.7	37.4	41.4	42.6	43.3	43.6	43.1
30.9	29.2	27.4	28.5	27.9	29.1	28.6	32.4	33.8	33.9	34.6	34.1
17.5	16.5	14.9	15.3	15.7	15.8	15.9	18.9	19.4	20.1	21.1	20.0
<i>After-Tax Income</i>											
6.1	6.5	6.8	6.1	6.1	5.9	6.1	5.2	5.0	5.0	5.0	5.2
13.3	12.5	12.2	12.2	13.0	12.9	11.8	10.7	9.9	9.6	9.6	9.6
17.1	17.9	19.9	18.7	19.1	20.2	19.4	18.1	18.2	19.1	19.6	19.1
19.7	20.1	20.1	20.7	20.1	19.8	19.7	19.4	18.6	17.4	16.7	16.8
44.4	43.7	42.4	43.3	42.7	42.3	43.9	48.0	49.6	50.2	50.3	50.5
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
34.2	33.6	31.3	32.3	32.2	31.5	32.0	35.8	37.2	38.3	38.7	38.2
26.8	25.3	23.7	24.5	23.4	24.3	23.7	27.2	28.7	29.3	30.0	29.7
14.8	13.9	12.5	12.6	12.4	12.4	12.5	15.0	15.8	16.7	17.7	16.8
Minimum Adjusted Income^a (2000 dollars)											
0	0	0	0	0	0	0	0	0	0	0	0
13,900	14,200	14,200	13,800	14,000	14,200	14,900	14,600	15,000	15,700	16,100	15,800
23,900	23,900	23,500	23,600	23,700	24,000	24,800	25,100	25,400	26,400	26,900	26,800
34,400	34,200	33,900	34,200	34,100	34,900	35,500	36,000	36,600	37,900	38,700	38,900
50,100	49,400	48,700	49,300	49,700	50,500	51,800	52,800	54,000	56,100	57,800	58,400
66,500	65,300	64,300	65,500	65,900	66,800	69,200	71,100	73,200	76,400	78,600	80,100
86,100	84,700	83,200	85,900	85,600	87,500	91,000	93,700	98,300	102,500	105,700	108,400
183,600	175,100	171,700	181,600	178,700	184,100	195,800	206,700	219,400	234,000	249,700	257,100

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

a. The minimum adjusted income is the lower income boundary for each quintile.

Table B4-A.

Effective Federal Tax Rates for Nonelderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Effective Tax Rate										
Lowest Quintile	11.1	10.9	11.5	11.0	12.0	12.7	13.0	12.5	13.3	13.2
Second Quintile	16.3	16.2	16.8	15.8	15.6	16.3	16.9	16.6	16.3	16.7
Middle Quintile	19.6	20.0	20.5	19.3	19.0	19.6	19.9	19.9	19.6	19.9
Fourth Quintile	22.3	22.5	23.5	22.2	21.5	21.9	22.0	22.2	21.7	22.1
Highest Quintile	27.6	27.6	27.7	25.3	24.5	24.8	24.6	24.5	26.1	26.0
All Quintiles	24.3	24.4	24.8	23.0	22.4	22.7	22.9	22.9	23.7	23.8
Top 10 Percent	29.2	29.0	28.7	26.0	25.1	25.4	25.1	24.8	27.3	26.8
Top 5 Percent	31.3	30.5	29.6	26.5	25.6	26.0	25.5	24.9	28.5	27.7
Top 1 Percent	36.4	34.2	31.5	27.7	27.5	28.2	27.0	25.5	31.4	29.5
Effective Individual Income Tax Rate										
Lowest Quintile	1.0	1.3	1.5	1.3	1.3	1.5	1.4	1.0	0.4	0.3
Second Quintile	5.0	5.4	5.7	5.0	4.6	4.8	4.9	4.7	4.0	4.1
Middle Quintile	8.1	8.7	8.9	8.1	7.5	7.5	7.6	7.5	6.9	7.0
Fourth Quintile	10.8	11.3	11.8	10.8	9.8	9.6	9.6	9.6	8.9	8.9
Highest Quintile	16.2	17.0	17.1	15.6	14.2	14.0	14.0	14.1	14.8	14.8
All Quintiles	12.8	13.5	13.8	12.7	11.6	11.4	11.5	11.6	11.7	11.9
Top 10 Percent	17.7	18.5	18.5	16.9	15.4	15.3	15.2	15.3	16.6	16.5
Top 5 Percent	19.5	20.1	19.9	18.3	16.7	16.7	16.5	16.5	18.5	18.2
Top 1 Percent	22.6	23.1	21.8	20.7	19.6	19.6	19.1	18.6	22.2	21.2
Effective Social Insurance Tax Rate										
Lowest Quintile	6.7	6.7	7.2	7.1	7.3	7.3	8.0	8.0	8.3	8.9
Second Quintile	8.6	8.4	9.1	9.0	8.8	9.1	9.8	9.7	9.8	10.2
Middle Quintile	9.2	9.2	9.7	9.7	9.7	10.1	10.5	10.6	10.6	11.0
Fourth Quintile	9.4	9.4	10.1	10.0	10.0	10.4	10.8	11.0	10.9	11.4
Highest Quintile	6.6	6.7	7.4	7.6	7.7	7.9	7.8	7.7	8.1	7.9
All Quintiles	7.7	7.7	8.4	8.5	8.5	8.8	8.9	8.9	9.1	9.1
Top 10 Percent	5.5	5.6	6.3	6.6	6.6	6.6	6.5	6.3	6.7	6.4
Top 5 Percent	3.8	4.1	4.7	5.0	5.1	5.0	4.8	4.5	5.1	4.7
Top 1 Percent	1.2	1.3	1.6	2.0	2.0	1.8	1.6	1.4	1.9	1.6

Table B4-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Total Effective Tax Rate											
12.8	13.6	13.2	13.2	12.7	11.6	11.8	11.3	11.4	11.1	11.3	10.7
16.5	16.9	16.6	16.1	16.2	16.2	16.4	16.0	16.4	15.8	16.2	15.7
19.9	20.0	19.8	19.6	19.5	19.8	19.7	19.7	19.9	19.7	19.7	19.6
22.0	22.2	22.1	21.7	21.6	21.7	21.9	21.8	21.9	22.0	22.0	22.0
25.7	25.7	26.0	26.1	26.9	27.6	27.9	28.0	28.2	27.9	28.3	28.3
23.5	23.7	23.7	23.8	24.2	24.6	24.8	24.8	25.1	24.7	25.0	25.0
26.5	26.5	26.9	27.2	28.5	29.3	29.6	29.8	29.8	29.4	29.7	29.7
27.2	27.2	27.9	28.3	30.1	31.2	31.4	31.6	31.5	30.9	31.1	31.1
28.8	28.6	30.1	30.5	34.3	35.7	35.9	35.8	34.9	33.6	33.7	33.3
Effective Individual Income Tax Rate											
0.3	0.6	0.3	0	-0.1	-1.5	-1.0	-1.1	-0.9	-1.2	-1.3	-1.5
4.0	4.3	4.0	3.6	3.5	3.2	3.5	3.4	3.5	3.2	3.4	3.1
7.0	7.0	6.8	6.6	6.6	6.5	6.4	6.5	6.7	6.5	6.5	6.5
9.0	9.0	8.9	8.6	8.5	8.5	8.6	8.6	8.7	8.8	8.9	8.9
14.6	14.5	14.5	14.7	14.8	15.0	15.4	15.9	16.3	16.4	16.9	17.2
11.6	11.7	11.5	11.6	11.6	11.7	11.8	12.2	12.6	12.5	12.9	13.1
16.2	16.1	16.1	16.4	16.8	17.0	17.4	18.1	18.4	18.5	19.1	19.3
17.8	17.7	17.8	18.3	18.9	19.3	19.6	20.4	20.7	20.7	21.2	21.4
20.5	20.4	21.2	21.8	23.7	23.7	24.2	25.0	24.5	24.1	24.7	24.5
Effective Social Insurance Tax Rate											
9.1	9.3	9.2	9.1	8.9	8.9	8.9	8.9	9.0	9.1	9.2	8.9
10.3	10.5	10.3	10.0	10.1	10.2	10.3	10.3	10.4	10.4	10.6	10.4
11.1	11.2	11.1	11.0	10.9	11.1	11.1	11.1	11.3	11.3	11.4	11.4
11.2	11.6	11.5	11.4	11.2	11.3	11.5	11.4	11.5	11.5	11.4	11.5
8.0	8.1	8.5	8.3	8.6	8.7	8.6	8.4	8.0	7.9	7.8	7.6
9.2	9.4	9.7	9.5	9.6	9.7	9.7	9.5	9.3	9.3	9.2	9.0
6.6	6.7	7.4	7.0	7.5	7.6	7.4	7.1	6.7	6.5	6.4	6.3
4.8	4.9	5.8	5.4	5.9	6.0	5.8	5.5	5.1	4.9	4.9	4.7
1.8	1.8	2.6	2.3	2.6	3.0	2.8	2.7	2.4	2.2	2.3	2.3

(Continued)

Table B4-A.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Effective Corporate Income Tax Rate										
Lowest Quintile	1.3	1.2	1.0	0.7	0.9	1.4	0.9	1.0	1.2	1.0
Second Quintile	1.2	1.0	0.8	0.6	0.7	0.9	0.7	0.7	0.9	0.8
Middle Quintile	1.1	1.0	0.8	0.5	0.7	0.8	0.7	0.7	0.9	0.9
Fourth Quintile	1.1	1.0	0.8	0.5	0.7	0.8	0.7	0.7	0.9	0.8
Highest Quintile	4.1	3.3	2.6	1.6	1.9	2.2	2.1	2.0	2.6	2.6
All Quintiles	2.8	2.3	1.8	1.2	1.4	1.6	1.6	1.5	1.9	2.0
Top 10 Percent	5.4	4.3	3.3	2.0	2.5	2.8	2.7	2.6	3.3	3.4
Top 5 Percent	7.4	5.7	4.5	2.7	3.3	3.8	3.6	3.3	4.4	4.4
Top 1 Percent	12.1	9.4	7.7	4.8	5.6	6.3	5.8	5.1	6.9	6.4
Effective Excise Tax Rate										
Lowest Quintile	2.1	1.8	1.7	1.9	2.4	2.4	2.7	2.5	3.3	3.0
Second Quintile	1.6	1.4	1.2	1.2	1.5	1.5	1.5	1.5	1.6	1.6
Middle Quintile	1.3	1.1	1.0	1.0	1.1	1.2	1.2	1.1	1.2	1.2
Fourth Quintile	1.0	0.9	0.8	0.8	1.0	1.0	1.0	0.9	1.0	1.0
Highest Quintile	0.8	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.6
All Quintiles	1.0	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Top 10 Percent	0.7	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5
Top 5 Percent	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5
Top 1 Percent	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. A household consists of the people who share a housing unit, regardless of their relationships. A nonelderly childless household is one headed by a person under age 65 and with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B4-A.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Effective Corporate Income Tax Rate											
0.9	0.9	0.9	1.0	0.9	0.8	1.0	0.9	0.8	0.7	0.7	0.8
0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.6	0.6	0.6
0.7	0.7	0.7	0.6	0.7	0.7	0.8	0.8	0.7	0.6	0.6	0.5
0.8	0.7	0.7	0.6	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.6
2.5	2.5	2.2	2.4	2.8	3.1	3.3	3.2	3.3	3.0	2.9	2.9
1.8	1.8	1.6	1.8	2.0	2.2	2.3	2.3	2.3	2.1	2.0	2.0
3.2	3.2	2.9	3.1	3.6	4.1	4.2	4.1	4.2	3.8	3.7	3.6
4.1	4.1	3.7	4.1	4.8	5.4	5.5	5.3	5.3	4.9	4.6	4.5
6.2	6.2	6.0	6.1	7.6	8.7	8.6	7.9	7.6	7.1	6.5	6.2
Effective Excise Tax Rate											
2.5	2.8	2.8	3.1	3.0	3.4	2.9	2.6	2.5	2.5	2.7	2.5
1.4	1.5	1.6	1.7	1.8	1.9	1.8	1.6	1.6	1.5	1.6	1.5
1.1	1.1	1.2	1.3	1.3	1.5	1.4	1.3	1.2	1.2	1.3	1.2
0.9	0.9	1.0	1.1	1.1	1.2	1.1	1.0	1.0	1.0	1.0	1.0
0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
0.8	0.8	0.9	1.0	1.0	1.1	1.0	0.9	0.9	0.9	0.9	0.8
0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5
0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B4-B.

Shares of Tax Liabilities for Nonelderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Total Federal Tax Liabilities										
Lowest Quintile	1.5	1.5	1.5	1.5	1.6	1.9	1.7	1.6	1.4	1.3
Second Quintile	4.9	4.7	4.8	4.7	4.7	5.1	5.1	4.7	4.8	4.7
Middle Quintile	9.2	9.3	9.7	9.5	9.8	10.0	9.9	9.7	9.4	8.9
Fourth Quintile	19.1	19.2	19.5	19.4	20.1	19.3	19.1	19.1	18.8	18.5
Highest Quintile	65.2	65.3	64.4	64.8	63.7	63.5	64.0	64.8	65.5	66.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	46.5	45.7	44.8	44.5	44.3	44.1	44.5	45.5	46.1	47.8
Top 5 Percent	31.5	30.7	29.4	29.0	29.2	29.6	30.2	31.1	31.6	34.2
Top 1 Percent	14.6	13.3	11.7	12.3	12.4	13.2	14.0	14.7	14.9	18.0
Share of Individual Income Tax Liabilities										
Lowest Quintile	0.2	0.3	0.4	0.3	0.3	0.5	0.3	0.3	0.1	0.1
Second Quintile	2.8	2.8	2.9	2.7	2.7	3.0	3.0	2.6	2.4	2.3
Middle Quintile	7.2	7.3	7.6	7.3	7.5	7.6	7.5	7.2	6.7	6.3
Fourth Quintile	17.5	17.4	17.7	17.2	17.7	17.0	16.7	16.3	15.6	15.0
Highest Quintile	72.2	72.2	71.4	72.5	71.8	71.9	72.5	73.7	75.2	76.4
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	53.4	52.7	51.9	52.6	52.8	53.2	53.8	55.4	56.9	59.2
Top 5 Percent	37.1	36.5	35.5	36.5	36.9	37.9	39.0	40.6	41.6	45.2
Top 1 Percent	17.1	16.2	14.6	16.7	17.1	18.3	19.8	21.1	21.4	25.9
Share of Social Insurance Tax Liabilities										
Lowest Quintile	2.8	2.8	2.8	2.6	2.5	2.9	2.6	2.6	2.2	2.3
Second Quintile	8.2	7.8	7.7	7.2	7.0	7.3	7.6	7.0	7.4	7.5
Middle Quintile	13.7	13.5	13.6	13.1	13.2	13.4	13.3	13.3	13.2	12.8
Fourth Quintile	25.6	25.3	24.7	23.9	24.7	24.0	24.0	24.5	24.7	24.9
Highest Quintile	49.6	50.5	51.1	53.1	52.5	52.4	52.3	52.5	52.4	52.5
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	27.6	28.0	29.1	30.6	30.6	29.9	29.6	29.7	29.5	29.7
Top 5 Percent	12.3	13.1	13.9	14.9	15.1	14.8	14.7	14.5	14.6	15.0
Top 1 Percent	1.6	1.7	1.8	2.4	2.3	2.2	2.2	2.1	2.3	2.5

Table B4-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Total Federal Tax Liabilities											
1.3	1.5	1.5	1.4	1.4	1.2	1.4	1.2	1.2	1.3	1.3	1.2
4.8	4.7	4.7	4.3	4.3	4.4	4.4	4.3	4.2	4.2	4.2	4.1
9.7	9.4	9.5	9.3	9.1	9.0	9.2	8.8	8.6	8.5	8.3	8.3
18.8	18.8	19.1	18.2	18.2	18.1	18.6	17.9	17.3	17.9	17.6	17.4
65.2	65.4	65.0	66.5	66.8	67.1	66.2	67.6	68.5	68.0	68.5	68.9
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
46.1	46.8	47.0	48.9	48.9	49.5	49.4	50.4	51.5	51.0	52.1	53.1
32.2	33.0	33.0	35.0	35.3	35.9	35.6	37.1	38.4	38.1	39.5	40.5
15.8	17.0	16.0	18.6	18.1	19.5	18.9	20.4	22.2	22.1	22.6	23.8
Share of Individual Income Tax Liabilities											
0.1	0.1	0.1	0	0	-0.3	-0.3	-0.2	-0.2	-0.3	-0.3	-0.3
2.4	2.5	2.3	2.0	2.0	1.8	2.0	1.8	1.8	1.7	1.7	1.6
6.9	6.7	6.8	6.4	6.4	6.3	6.3	5.9	5.8	5.6	5.3	5.2
15.7	15.5	15.9	14.8	15.0	15.0	15.3	14.4	13.7	14.2	13.7	13.4
75.0	75.3	74.9	76.8	76.7	77.3	76.7	78.1	78.9	78.9	79.5	80.1
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
57.0	57.9	57.9	60.6	60.1	60.7	60.9	62.2	63.5	63.5	64.9	65.9
42.6	43.7	43.5	46.5	46.3	46.8	46.7	48.8	50.2	50.5	52.1	53.3
22.7	24.7	23.4	27.2	26.1	27.3	26.8	29.0	31.1	31.2	32.0	33.5
Share of Social Insurance Tax Liabilities											
2.4	2.5	2.6	2.5	2.5	2.4	2.7	2.5	2.6	2.8	2.9	2.7
7.6	7.4	7.1	6.8	6.8	7.0	7.0	7.1	7.3	7.4	7.5	7.5
13.6	13.2	13.0	13.2	12.8	12.7	13.3	13.0	13.2	13.1	13.0	13.3
24.5	24.7	24.5	24.2	24.0	23.9	24.8	24.4	24.3	25.1	24.9	25.1
51.7	52.1	52.7	53.2	53.9	53.9	52.1	52.8	52.5	51.5	51.6	51.3
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
29.2	29.8	31.8	32.0	32.2	32.5	31.8	31.5	31.1	30.2	30.7	31.1
14.6	15.1	17.0	16.9	17.4	17.7	16.8	17.0	16.6	16.0	16.9	17.1
2.5	2.6	3.4	3.5	3.5	4.2	3.8	4.0	4.2	3.9	4.2	4.5

(Continued)

Table B4-B.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Corporate Income Tax Liabilities										
Lowest Quintile	1.5	1.6	1.7	2.0	2.0	3.0	1.8	1.9	1.6	1.2
Second Quintile	3.0	3.2	2.9	3.3	3.4	3.8	3.2	3.0	3.3	2.6
Middle Quintile	4.4	5.1	5.3	5.1	5.6	5.8	5.3	5.0	5.2	4.7
Fourth Quintile	8.1	8.7	9.1	9.0	10.0	9.5	8.7	8.6	9.2	8.3
Highest Quintile	82.5	81.0	80.4	79.8	78.3	76.9	80.0	80.5	79.2	81.9
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	73.1	70.4	70.0	68.7	68.7	67.7	71.1	71.7	69.3	73.3
Top 5 Percent	63.3	59.9	59.7	60.1	59.7	59.0	62.6	63.2	60.1	65.5
Top 1 Percent	41.4	38.3	38.6	42.3	40.2	40.8	44.6	44.3	40.9	47.3
Share of Federal Excise Tax Liabilities										
Lowest Quintile	7.0	7.0	7.2	7.5	7.8	8.6	8.5	8.4	8.6	8.1
Second Quintile	11.6	11.3	11.2	10.9	11.0	11.4	11.2	11.2	12.0	12.1
Middle Quintile	14.8	14.8	15.5	14.2	14.6	14.5	14.3	14.1	14.5	14.1
Fourth Quintile	21.5	21.4	20.9	21.3	22.3	21.5	20.6	20.6	21.8	22.5
Highest Quintile	44.5	44.9	44.2	45.6	43.5	43.3	44.6	45.0	42.5	42.8
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	27.2	27.4	27.1	27.1	26.1	25.9	27.6	28.5	25.5	25.8
Top 5 Percent	15.3	15.8	15.5	15.1	15.0	14.7	16.6	17.4	14.5	15.1
Top 1 Percent	4.2	4.4	4.3	4.3	4.1	4.0	5.2	6.2	4.5	5.0

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. An nonelderly childless household is one headed by a person under age 65 and with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B4-B.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Corporate Income Tax Liabilities											
1.2	1.2	1.6	1.4	1.1	0.9	1.3	1.0	0.9	0.9	1.0	1.1
2.9	2.4	2.7	2.6	2.5	2.5	2.4	2.3	2.1	2.0	2.0	1.9
4.6	4.2	4.7	4.1	4.1	3.7	3.9	4.0	3.3	3.3	2.9	2.8
8.6	7.8	8.2	7.0	7.6	7.0	7.3	7.3	6.5	6.6	7.0	6.3
81.3	82.5	81.1	83.0	83.0	84.0	83.4	84.2	86.0	86.3	86.1	87.0
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
71.9	74.1	72.4	75.3	74.9	76.5	75.5	75.8	78.0	79.1	79.0	79.9
63.2	65.7	64.0	67.0	67.2	69.3	67.2	67.4	69.9	71.7	71.4	72.3
44.3	48.4	45.8	49.7	48.0	52.9	48.9	49.2	52.6	55.1	53.1	55.0
Share of Federal Excise Tax Liabilities											
7.3	8.6	8.2	8.3	8.1	8.3	8.4	7.7	8.0	8.2	8.5	8.4
11.6	11.7	11.5	11.7	11.5	12.1	11.8	11.8	12.1	11.8	11.7	12.0
15.1	14.9	14.9	15.3	15.1	15.3	15.7	15.8	14.8	15.0	15.0	15.3
22.5	22.2	22.8	22.1	21.7	22.3	23.5	22.7	22.2	22.9	22.8	22.6
42.9	42.1	42.1	41.9	42.7	41.1	39.9	41.4	42.2	41.7	41.7	41.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
25.4	24.7	25.5	25.3	25.8	24.8	24.1	24.6	25.6	24.8	25.5	25.6
14.8	14.0	15.0	14.7	15.1	14.3	13.6	14.3	15.0	14.5	15.5	15.5
4.6	4.5	4.5	4.6	4.3	4.4	4.1	4.3	5.1	4.9	5.2	5.6

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

Table B4-C.

Number of Households, Average Income and Income Shares, and Income Category Minimums for Nonelderly Childless Households, by Household Income Category, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Number of Households (Millions)										
Lowest Quintile	5.1	5.3	5.5	5.5	5.6	6.5	5.9	6.2	5.3	5.4
Second Quintile	5.1	5.2	5.3	5.2	5.5	5.7	6.0	5.8	6.5	6.7
Middle Quintile	5.3	5.5	5.8	5.8	6.0	6.1	6.2	6.3	6.6	6.7
Fourth Quintile	6.8	7.0	7.0	7.0	7.4	7.2	7.5	7.6	8.1	8.4
Highest Quintile	9.5	9.8	10.0	10.2	10.2	10.1	10.6	10.6	11.0	11.3
All Quintiles	32.0	32.8	33.8	33.9	34.9	35.8	36.4	36.7	37.7	38.8
Top 10 Percent	5.0	5.1	5.3	5.3	5.3	5.2	5.4	5.4	5.5	5.7
Top 5 Percent	2.3	2.4	2.5	2.5	2.6	2.5	2.6	2.6	2.6	2.8
Top 1 Percent	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Average Income (2000 dollars)										
<i>Pretax Income</i>										
Lowest Quintile	10,700	10,300	10,100	9,800	9,300	9,900	9,900	10,100	9,900	10,300
Second Quintile	23,800	22,900	22,800	22,500	21,900	23,200	23,200	23,700	23,200	23,700
Middle Quintile	35,700	34,800	34,600	34,200	34,200	35,700	36,400	37,600	37,300	37,800
Fourth Quintile	50,900	49,900	50,400	50,200	50,600	52,500	53,200	55,300	55,700	56,300
Highest Quintile	101,100	98,500	98,500	99,900	102,400	109,000	112,100	122,600	118,400	128,800
All Quintiles	52,200	50,900	50,600	51,200	51,100	52,500	54,900	58,300	57,800	61,500
Top 10 Percent	129,500	127,000	125,600	128,400	132,200	143,000	149,300	165,400	158,300	176,900
Top 5 Percent	177,500	170,700	167,000	175,500	177,700	194,800	207,400	236,700	219,700	253,800
Top 1 Percent	420,500	403,100	389,900	430,500	435,100	492,200	547,300	660,800	552,900	713,900
<i>After-Tax Income</i>										
Lowest Quintile	9,500	9,100	9,000	8,700	8,200	8,600	8,700	8,800	8,600	8,900
Second Quintile	19,900	19,200	19,000	18,900	18,500	19,400	19,200	19,700	19,400	19,700
Middle Quintile	28,700	27,800	27,500	27,600	27,700	28,700	29,100	30,100	30,000	30,200
Fourth Quintile	39,600	38,700	38,600	39,100	39,700	41,000	41,500	43,000	43,600	43,900
Highest Quintile	73,200	71,300	71,300	74,600	77,300	82,000	84,500	92,600	87,500	95,400
All Quintiles	39,500	38,500	38,100	39,400	39,700	40,600	42,300	45,000	44,100	46,800
Top 10 Percent	91,600	90,100	89,600	95,000	99,000	106,700	111,800	124,500	115,100	129,400
Top 5 Percent	121,900	118,600	117,500	129,000	132,100	144,100	154,500	177,700	157,100	183,600
Top 1 Percent	267,300	265,100	267,000	311,200	315,200	353,600	399,800	492,300	379,500	503,300

Table B4-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of Households (Millions)											
5.5	5.6	5.9	5.8	6.0	6.0	6.7	6.7	7.3	7.7	7.8	8.2
6.6	6.5	6.5	6.5	6.3	6.6	6.5	6.9	7.1	7.4	7.5	7.9
7.1	7.0	7.1	7.2	7.1	7.2	7.4	7.4	7.6	7.8	7.9	8.4
8.4	8.6	8.7	8.7	8.7	8.9	9.1	9.2	9.4	9.9	10.0	10.3
11.1	11.5	11.5	11.6	11.5	11.6	11.3	11.7	11.8	11.9	12.0	12.1
38.9	39.3	39.9	39.9	39.8	40.6	41.2	42.1	43.3	44.8	45.4	47.1
5.6	5.8	6.0	6.0	5.9	5.9	5.9	5.9	5.9	5.9	6.1	6.3
2.7	2.8	2.9	2.9	2.9	2.8	2.7	2.9	2.8	2.8	2.9	3.0
0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Average Income (2000 dollars)											
<i>Pretax Income</i>											
10,600	10,900	11,000	10,900	10,600	10,700	11,000	10,700	10,800	11,300	12,000	11,300
24,400	24,700	24,200	24,100	24,500	24,800	25,800	25,700	26,200	27,400	27,900	27,800
38,300	38,200	37,900	38,400	38,000	38,500	39,600	40,200	40,900	42,000	43,000	42,900
56,900	56,300	55,900	56,300	56,400	57,200	58,400	59,700	60,400	62,700	64,300	64,600
127,600	126,800	122,100	127,800	124,600	128,200	132,700	138,300	148,100	155,500	163,500	169,700
61,000	61,200	59,300	61,100	60,100	61,200	61,800	63,900	66,100	68,500	71,200	71,800
173,700	173,400	163,000	174,000	167,700	174,600	179,500	191,100	208,700	222,100	232,500	241,800
247,200	247,700	227,300	249,900	232,900	250,200	260,000	274,900	313,600	337,800	347,900	368,900
664,700	688,300	587,900	666,500	594,400	660,500	696,700	759,100	905,700	1,018,900	1,041,200	1,104,800
<i>After-Tax Income</i>											
9,200	9,400	9,600	9,400	9,200	9,500	9,700	9,500	9,500	10,100	10,600	10,100
20,400	20,500	20,200	20,200	20,600	20,800	21,600	21,600	21,900	23,000	23,400	23,400
30,700	30,600	30,400	30,900	30,600	30,900	31,800	32,200	32,800	33,700	34,500	34,500
44,400	43,800	43,500	44,100	44,200	44,800	45,600	46,700	47,100	48,900	50,200	50,400
94,900	94,300	90,400	94,400	91,100	92,900	95,700	99,500	106,400	112,100	117,300	121,700
46,700	46,700	45,200	46,500	45,600	46,100	46,500	48,100	49,600	51,600	53,400	53,900
127,800	127,400	119,100	126,700	119,900	123,400	126,400	134,100	146,500	156,800	163,300	170,000
180,000	180,500	164,000	179,200	162,700	172,100	178,300	187,900	214,900	233,500	239,600	254,300
473,100	491,100	411,000	463,100	390,800	424,600	446,800	487,100	589,800	676,500	690,100	737,400

(Continued)

Table B4-C.**Continued**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Share of Income (Percent)										
<i>Pretax Income</i>										
Lowest Quintile	3.2	3.3	3.2	3.1	2.9	3.4	2.9	2.9	2.4	2.3
Second Quintile	7.3	7.1	7.1	6.8	6.7	7.1	6.9	6.4	6.9	6.7
Middle Quintile	11.4	11.4	11.8	11.4	11.6	11.6	11.4	11.1	11.3	10.7
Fourth Quintile	20.9	20.9	20.6	20.2	20.9	20.1	19.8	19.7	20.6	20.0
Highest Quintile	57.4	57.7	57.7	58.9	58.2	58.4	59.5	60.6	59.5	61.0
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	38.7	38.5	38.7	39.4	39.6	39.5	40.5	42.0	40.1	42.4
Top 5 Percent	24.4	24.6	24.6	25.2	25.5	25.8	27.1	28.5	26.3	29.4
Top 1 Percent	9.7	9.5	9.2	10.2	10.1	10.6	11.9	13.1	11.3	14.5
<i>After-Tax Income</i>										
Lowest Quintile	3.8	3.8	3.8	3.6	3.3	3.9	3.3	3.3	2.8	2.7
Second Quintile	8.1	7.9	7.8	7.4	7.3	7.7	7.5	6.9	7.6	7.3
Middle Quintile	12.1	12.0	12.4	11.9	12.1	12.1	11.8	11.5	11.9	11.2
Fourth Quintile	21.4	21.4	21.0	20.4	21.2	20.3	20.1	19.8	21.1	20.4
Highest Quintile	54.9	55.2	55.5	57.2	56.7	56.8	58.2	59.3	57.7	59.3
All Quintiles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 10 Percent	36.2	36.2	36.7	37.9	38.2	38.1	39.4	40.9	38.2	40.8
Top 5 Percent	22.2	22.6	23.0	24.1	24.4	24.7	26.1	27.7	24.6	27.9
Top 1 Percent	8.2	8.3	8.4	9.6	9.4	9.9	11.3	12.7	10.2	13.4
Minimum Adjusted Income^a (2000 dollars)										
Lowest Quintile	0	0	0	0	0	0	0	0	0	0
Second Quintile	14,400	13,800	13,600	13,200	12,700	13,500	13,500	13,700	13,200	13,600
Middle Quintile	22,800	22,000	21,900	21,400	21,200	22,100	22,500	23,100	23,000	23,500
Fourth Quintile	31,300	30,400	30,600	30,200	30,200	31,600	32,100	33,200	33,400	34,100
Highest Quintile	43,600	42,600	43,000	43,000	43,300	45,200	45,900	47,900	48,500	49,400
Top 10 Percent	55,700	55,100	55,100	55,500	56,200	59,200	60,300	63,000	63,900	65,500
Top 5 Percent	70,700	69,200	69,900	69,500	71,100	75,100	77,000	81,800	81,700	84,000
Top 1 Percent	138,300	134,200	132,400	133,000	138,900	148,500	154,400	179,300	168,200	181,000

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships. A nonelderly childless household is one headed by a person under age 65 and with no member under age 18.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table B4-C.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Share of Income (Percent)											
<i>Pretax Income</i>											
2.4	2.5	2.7	2.6	2.6	2.6	2.9	2.7	2.7	2.8	2.9	2.7
6.8	6.6	6.7	6.4	6.4	6.6	6.6	6.6	6.5	6.6	6.5	6.5
11.4	11.1	11.3	11.3	11.3	11.2	11.6	11.1	10.9	10.7	10.5	10.6
20.2	20.1	20.6	20.0	20.5	20.5	21.0	20.4	19.7	20.1	20.0	19.7
59.8	60.5	59.5	60.7	60.1	59.9	58.8	59.9	60.9	60.3	60.6	60.9
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
41.0	41.9	41.4	42.9	41.5	41.6	41.3	42.0	43.3	43.0	43.8	44.7
27.9	28.8	28.1	29.5	28.4	28.3	28.1	29.2	30.5	30.5	31.7	32.6
12.9	14.1	12.7	14.5	12.8	13.5	13.1	14.2	16.0	16.3	16.7	17.9
<i>After-Tax Income</i>											
2.8	2.9	3.1	2.9	3.0	3.0	3.4	3.2	3.2	3.3	3.4	3.3
7.5	7.2	7.3	7.1	7.1	7.4	7.4	7.4	7.2	7.4	7.3	7.3
11.9	11.6	11.9	11.9	11.9	11.9	12.3	11.8	11.6	11.4	11.2	11.4
20.6	20.5	21.0	20.6	21.2	21.3	21.8	21.3	20.6	20.9	20.8	20.5
58.1	58.9	57.7	58.8	57.9	57.6	56.4	57.4	58.4	57.7	57.9	58.2
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
39.5	40.4	39.7	41.0	39.2	39.0	38.7	39.2	40.6	40.3	41.1	41.9
26.5	27.5	26.6	27.8	26.1	25.9	25.6	26.5	27.9	28.0	29.1	29.9
12.0	13.2	11.6	13.2	11.1	11.5	11.1	12.1	13.9	14.4	14.8	15.9
Minimum Adjusted Income^a (2000 dollars)											
0	0	0	0	0	0	0	0	0	0	0	0
13,900	14,200	14,200	13,800	14,000	14,200	14,900	14,600	15,000	15,700	16,100	15,800
23,900	23,900	23,500	23,600	23,700	24,000	24,800	25,100	25,400	26,400	26,900	26,800
34,400	34,200	33,900	34,200	34,100	34,900	35,500	36,000	36,600	37,900	38,700	38,900
50,100	49,400	48,700	49,300	49,700	50,500	51,800	52,800	54,000	56,100	57,800	58,400
66,500	65,300	64,300	65,500	65,900	66,800	69,200	71,100	73,200	76,400	78,600	80,100
86,100	84,700	83,200	85,900	85,600	87,500	91,000	93,700	98,300	102,500	105,700	108,400
183,600	175,100	171,700	181,600	178,700	184,100	195,800	206,700	219,400	234,000	249,700	257,100

Notes: (Continued)

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. Quintiles, or fifths, contain equal numbers of people.

Individual income taxes are distributed directly to households paying those taxes. Social insurance, or payroll, taxes are distributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are distributed to households according to their share of capital income. Federal excise taxes are distributed to them according to their consumption of the taxed good or service.

a. The minimum adjusted income is the lower income boundary for each quintile.

C

Households Whose Payroll Taxes Exceed Their Income Taxes, 1979 to 2000

Most households pay more payroll taxes than income taxes. *Table C-1* shows the percentage of households whose payroll taxes exceed their income taxes for the 1979-2000 period, breaking down those statistics

by household income quintile. The calculations are also shown including both the employer and employee shares of payroll taxes and including only the employee share.

Table C-1.

Percentage of Households Whose Payroll Taxes Exceed Their Income Taxes, by Household Income Quintile, 1979 to 2000

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Households That Pay Either Payroll or Income Taxes Including the Employee and Employer Shares of Payroll Taxes										
Lowest Quintile	97.5	96.7	96.1	95.5	95.7	93.7	95.7	95.8	97.4	97.6
Second Quintile	89.6	87.8	87.5	88.5	88.5	89.7	89.1	89.7	90.8	90.3
Middle Quintile	65.4	56.6	60.3	69.1	75.3	78.1	78.3	78.8	80.5	78.6
Fourth Quintile	30.0	24.8	29.1	38.8	50.1	55.8	59.8	61.3	69.7	71.6
Highest Quintile	7.9	6.6	8.6	13.0	18.6	23.4	25.9	27.0	27.7	30.6
All Quintiles	53.0	49.2	51.1	55.9	61.2	64.6	66.2	67.0	70.0	70.7
Including Only the Employee Share of Payroll Taxes										
Lowest Quintile	93.6	90.7	89.8	90.7	92.1	89.6	92.6	93.2	95.8	96.3
Second Quintile	45.5	41.1	39.7	47.4	52.0	51.9	54.3	57.3	67.4	69.3
Middle Quintile	14.5	12.4	13.3	16.1	19.1	21.3	22.0	23.7	27.7	29.9
Fourth Quintile	4.5	4.1	4.4	6.0	6.9	8.6	8.8	9.3	9.8	10.7
Highest Quintile	1.7	1.9	2.0	2.9	2.9	3.8	4.1	3.6	2.8	2.6
All Quintiles	26.2	24.6	24.2	26.6	28.5	29.9	30.8	31.8	34.8	36.0
Households That Pay Payroll Taxes Including the Employee and Employer Shares of Payroll Taxes										
Lowest Quintile	99.1	99.0	98.7	98.4	98.6	98.1	98.5	99.0	99.3	99.3
Second Quintile	94.6	92.9	93.5	94.6	94.4	94.9	95.1	95.5	96.1	96.0
Middle Quintile	71.6	62.5	67.6	78.5	85.2	87.1	89.3	89.3	91.3	90.3
Fourth Quintile	32.6	27.3	32.5	44.0	55.8	62.6	67.3	69.0	78.1	80.3
Highest Quintile	8.8	7.4	9.8	14.6	20.7	26.0	28.6	29.7	30.4	33.5
All Quintiles	57.2	53.4	56.1	61.7	67.0	70.6	72.6	73.4	76.3	77.3
Including Only the Employee Share of Payroll Taxes										
Lowest Quintile	95.1	92.7	92.2	93.5	94.8	93.8	95.3	96.2	97.6	97.9
Second Quintile	48.1	43.4	42.4	50.7	55.4	54.9	57.9	61.0	71.3	73.6
Middle Quintile	15.8	13.7	14.9	18.3	21.5	23.8	25.0	26.9	31.4	34.3
Fourth Quintile	4.9	4.5	5.0	6.8	7.7	9.6	9.9	10.5	11.0	12.0
Highest Quintile	1.9	2.1	2.3	3.2	3.2	4.2	4.5	4.0	3.1	2.9
All Quintiles	28.2	26.6	26.6	29.3	31.2	32.7	33.7	34.8	37.9	39.3

Source: Congressional Budget Office.

Notes: A household consists of the people who share a housing unit, regardless of their relationships.

The income measure is comprehensive household income, which comprises pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes; the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes); and employees' contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance). Households with negative income are excluded from the lowest income category but are included in totals.

Table C-1.**Continued**

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Households That Pay Either Payroll or Income Taxes											
<i>Including the Employee and Employer Shares of Payroll Taxes</i>											
97.6	97.3	97.3	97.4	97.6	98.1	97.9	98.0	97.8	97.7	98.0	97.7
90.0	90.7	91.3	91.6	91.6	93.0	92.6	92.4	92.6	92.1	92.0	91.8
79.6	79.1	78.3	80.5	81.0	80.2	81.4	80.7	79.8	78.9	78.2	78.3
69.8	72.0	73.4	74.6	74.8	75.3	75.1	74.0	73.8	74.9	73.6	73.5
29.0	31.9	33.6	36.2	36.3	36.0	34.3	32.7	30.1	30.0	27.7	26.3
70.1	71.3	71.9	73.2	73.4	73.6	73.5	72.7	71.9	72.0	71.1	70.6
<i>Including Only the Employee Share of Payroll Taxes</i>											
96.1	95.4	95.7	95.9	96.2	96.9	96.6	96.3	96.2	96.0	96.4	96.1
67.8	67.6	70.5	74.5	75.0	76.9	73.7	73.8	72.4	75.0	74.2	74.2
27.4	28.4	29.4	33.8	34.9	34.2	34.4	34.2	31.7	40.7	41.5	41.4
10.4	11.2	11.4	12.7	13.0	13.1	13.9	13.3	12.8	16.3	16.7	17.0
2.7	3.2	3.8	3.4	3.3	3.2	3.1	3.1	2.9	3.0	3.0	2.8
35.2	35.7	36.6	38.4	38.7	38.8	38.8	38.7	37.9	41.4	41.7	41.3
Households That Pay Payroll Taxes											
<i>Including the Employee and Employer Shares of Payroll Taxes</i>											
99.3	99.2	99.3	99.2	99.3	99.4	99.4	99.3	99.3	99.3	99.4	99.3
96.0	96.2	96.2	96.2	96.3	96.8	96.5	96.6	96.7	96.6	96.7	96.8
90.6	90.8	90.5	92.0	91.2	91.6	92.4	91.6	90.9	91.2	91.1	90.9
78.6	81.2	83.0	84.2	83.5	83.9	83.9	83.1	82.5	82.9	81.2	80.8
32.1	35.2	37.3	39.7	39.8	39.4	37.9	36.4	33.7	33.5	30.9	29.3
76.9	78.2	79.0	80.0	79.7	79.9	79.9	79.2	78.4	78.7	77.7	77.2
<i>Including Only the Employee Share of Payroll Taxes</i>											
97.8	97.2	97.6	97.7	97.9	98.1	98.1	97.6	97.7	97.6	97.7	97.6
72.2	71.6	74.2	78.2	78.7	79.9	76.8	77.1	75.5	78.7	78.0	78.2
31.2	32.5	34.0	38.7	39.3	39.0	39.1	38.8	36.1	47.1	48.4	48.0
11.7	12.6	12.9	14.3	14.6	14.6	15.6	14.9	14.3	18.0	18.5	18.7
3.0	3.5	4.2	3.7	3.7	3.5	3.4	3.4	3.2	3.3	3.4	3.1
38.5	39.1	40.2	41.9	42.0	42.1	42.2	42.2	41.4	45.2	45.5	45.2

Notes: (Continued)

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