



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

Congressman Jim Saxton
Ranking Republican Member

PRESS RELEASE

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TOP ONE PERCENT OF TAX FILERS PAY HIGHEST SHARE IN DECADES

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WASHINGTON, D.C. – The share of total federal income taxes paid by the top one percent of tax filers increased to 39.38 percent in 2005, while the tax share of the top 5 percent climbed to 59.67 percent. The income tax share of the top half rose to 96.93 percent, according to recent Internal Revenue Service (IRS) data. The tax shares are the highest on record for these groups in comparable IRS data going back to 1986.

The share of adjusted gross income generated by the top one percent has also increased. As noted in media reports, this share was 21.20 percent in 2005, relative to a level of 20.81 percent reached during the height of the stock market bubble in 2000 (when the income **tax** share of the top one percent was 37.42 percent). Congressman Jim Saxton, ranking member of the Joint Economic Committee, made the following remarks on the IRS data:

“Some have noted that the 2005 income share for the top one percent is the highest on record. However, it is not significantly different from the level reached in 2000. After the stock market and technology bubbles burst in 2000, the income share of the top one percent declined through 2002, rising with the stock market recovery in more recent years. In addition, although the income share of the top one percent is similar in 2000 and 2005, the income *tax share* was about two percentage points higher in 2005.

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

Percentiles Ranked by AGI	Adjusted Gross Income Threshold on Percentiles	Percentage of Federal Personal Income Tax Paid
Top 1%	\$364,657	39.38%
Top 5 %	\$145,283	59.67%
Top 10%	\$103,912	70.30%
Top 25%	\$62,068	85.99%
Top 50%	\$30,881	96.93%
Bottom 50%	< \$30,881	3.07%

Source: IRS (Tax Year 2005)