INDIVIDUAL INCOME TAXATION

62221D—41——1

CONTENTS

INDIVIDUAL INCOME TAXES

Existing law	*House bill*
Normal tax, 4 percent	No change.
Surtax. (See table I.)	
Exemptions:	
Single person, $800	Do.
Married person, $2,000	Do.
Credit for dependents, $400	Do.
Earned income,[1] 10 percent credit against income for normal tax only	Do.
Assets held 18 months or less, 100 percent of gain taxable at normal and surtax rates	Do.
Assets held between 18 months and 2 years; tax cannot exceed 20 percent of gain	Do.
Assets held over 2 years, tax cannot exceed 15 percent of gain	Do.

[1] Earned income: First $3,000 income treated as earned but earned income cannot exceed $14,000.

TABLE I

Comparison of surtax rates and cumulative surtax

Surtax net income classes	Surtax rates			Cumulative surtax		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
	Percent	*Percent*	*Percent*			
$0 to $2,000	0	11	5		$220	$100
$2,000 to $4,000	0	14	8		500	260
$4,000 to $6,000	4	16	11	$80	820	480
$6,000 to $8,000	6	19	15	200	1, 200	780
$8,000 to $10,000	8	21	19	360	1, 620	1, 160
$10,000 to $12,000	10	23	22	560	2, 080	1, 600
$12,000 to $14,000	12	25	25	800	2, 580	2, 100
$14,000 to $16,000	15	27	28	1, 100	3, 120	2, 660
$16,000 to $18,000	18	29	31	1, 460	3, 700	3, 280
$18,000 to $20,000	21	31	33	1, 880	4, 320	3, 940
$20,000 to $22,000	24	33	36	2, 360	4, 980	4, 660
$22,000 to $26,000	27	36	39	3, 440	6, 420	6, 220
$26,000 to $32,000	30	39	42	5, 240	8, 760	8, 740
$32,000 to $38,000	33	42	45	7, 220	11, 280	11, 440
$38,000 to $44,000	36	45	48	9, 380	13, 980	14, 320
$44,000 to $50,000	40	48	50	11, 780	16, 860	17, 320
$50,000 to $60,000	44	51	53	16, 180	21, 960	22, 620
$60,000 to $70,000	47	54	55	20, 880	27, 360	28, 120
$70,000 to $80,000	50	57	57	25, 880	33, 060	33, 820
$80,000 to $90,000	53	59	59	31, 180	38, 960	39, 720

$90,000 to $100,000	56	61	61	36, 780	45, 060	45, 820
$100,000 to $150,000	58	62	62	65, 780	76, 060	76, 820
$150,000 to $200,000	60	63	63	95, 780	107, 560	108, 320
$200,000 to $250,000	62	64	64	126, 780	139, 560	140, 320
$250,000 to $300,000	64	66	66	158, 780	172, 560	173, 320
$300,000 to $400,000	66	68	68	224, 780	240, 560	241, 320
$400,000 to $500,000	68	70	70	292, 780	310, 560	311, 320
$500,000 to $750,000	70	72	71	467, 780	490, 560	488, 820
$750,000 to $1,000,000	72	72	72	647, 780	670, 560	668, 820
$1,000,000 to $2,000,000	73	73	73	1, 377, 780	1, 400, 560	1, 398, 820
$2,000,000 to $5,000,000	74	74	74	3, 597, 780	3, 620, 560	3, 618, 820
Over $5,000,000	75	75	75	------	------	------

TABLE II

Comparison of tax and effective rate on single person (all income earned)

Net income	Tax			Effective rate		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
				Percent	*Percent*	*Percent*
$800						
$900	$0. 44	$12. 54	$5. 94	0. 05	1. 39	0. 66
$1,000	4. 40	28. 60	15. 40	. 44	2. 86	1. 54
$2,000	44. 00	189. 20	110. 00	2. 20	9. 46	5. 50
$2,500	63. 80	269. 50	157. 30	2. 55	10. 78	6. 29
$3,000	83. 60	356. 40	211. 20	2. 79	11. 88	7. 04
$4,000	123. 20	550. 00	338. 80	3. 08	13. 75	8. 47
$5,000	171. 60	748. 00	473. 00	3. 43	14. 96	9. 46
$6,000	255. 20	963. 60	633. 60	4. 25	16. 06	10. 56
$7,000	343. 20	1, 185. 80	803. 00	4. 90	16. 94	11. 47
$8,000	448. 80	1, 434. 40	1, 007. 60	5. 61	17. 93	12. 59
$9,000	558. 80	1, 687. 40	1, 221. 00	6. 21	18. 75	13. 57
$10,000	686. 40	1, 958. 00	1, 469. 60	6. 86	19. 58	14. 70
$15,000	1, 476. 20	3, 460. 60	2, 934. 80	9. 84	23. 07	19. 56
$20,000	2, 666. 40	5, 262. 40	4, 826. 80	13. 33	26. 31	24. 13
$25,000	4, 252. 60	7, 352. 40	7, 073. 00	17. 01	29. 41	18. 29
$30,000	6, 063. 20	9, 658. 00	9, 543. 60	20. 21	32. 19	31. 81
$50,000	14, 709. 20	20, 226. 80	20, 715. 20	29. 42	40. 45	41. 43
$60,000	19, 954. 00	26, 250. 40	26, 958. 80	33. 26	43. 75	44. 93
$80,000	31, 451. 20	39, 287. 60	40, 123. 60	39. 31	49. 11	50. 15

$100,000	44, 268. 40	53, 332. 40	54, 168. 40	44. 27	53. 33	54. 17
$150,000	78, 350. 80	88, 328. 40	89, 012. 40	52. 23	58. 88	59. 34
$250,000	147, 576. 40	159, 064. 00	159, 748. 00	59. 03	63. 62	63. 90
$500,000	330, 933. 20	346, 920. 80	347, 604. 80	66. 19	69. 38	69. 52
$750,000	522, 418. 80	542, 906. 40	541, 347. 60	69. 66	72. 39	72. 18
$1,000,000	718, 404. 40	738, 906. 40	737, 340. 40	71. 84	73. 89	73. 73
$2,000,000	1, 511, 397. 20	1, 531, 899. 20	1, 530, 333. 20	75. 57	76. 59	76. 52
$5,000,000	3, 917, 390. 00	3, 937, 892. 00	3, 936, 326. 00	78. 35	78. 76	78. 73

Table III

Comparison of tax and effective rate on married person without dependents (all income earned)

Net income	Tax			Effective rate		
	Present law	Treasury plan	House bill	Present law	Treasury plan	House bill
				Percent	*Percent*	*Percent*
$2,000						
$2,500	$11. 00	$71. 50	$38. 50	0. 44	2. 86	1. 54
$3,000	30. 80	151. 80	85. 80	1. 03	5. 06	2. 86
$4,000	70. 40	312. 40	180. 40	1. 76	7. 81	4. 51
$5,000	110. 00	506. 00	308. 00	2. 20	10. 12	6. 16
$6,000	149. 60	699. 60	435. 60	2. 49	11. 66	7. 26
$7,000	233. 20	915. 20	596. 20	3. 33	13. 07	8. 52
$8,000	316. 80	1, 130. 80	756. 80	3. 96	14. 13	9. 46
$9,000	422. 40	1, 379. 40	961. 40	4. 69	15. 33	10. 68
$10,000	528. 00	1, 628. 00	1, 166. 00	5. 28	16. 28	11. 66
$15,000	1, 258. 40	3, 073. 40	2, 545. 40	8. 39	20. 49	16. 97
$20,000	2, 336. 40	4, 800. 40	4, 338. 40	11. 68	24. 00	21. 69
$25,000	3, 843. 40	6, 824. 40	6, 505. 40	15. 37	27. 30	26. 02
$30,000	5, 614. 40	9, 090. 40	8, 936. 40	18. 71	30. 30	29. 79
$50,000	14, 128. 40	19, 540. 40	20, 002. 40	28. 26	39. 08	40. 00
$60,000	19, 320. 40	25, 524. 40	26, 206. 40	32. 20	42. 54	43. 68
$80,000	30, 738. 40	38, 482. 40	39, 318. 40	38. 42	48. 10	49. 15
$100,000	43, 476. 40	52, 474. 40	53, 310. 40	43. 48	52. 47	53. 31
$150,000	77, 532. 40	87, 615. 60	88, 299. 60	51. 69	58. 41	58. 87
$250,000	146, 863. 60	158, 329. 60	159, 013. 60	58. 74	63. 33	63. 60

$500,000	330, 155. 60	346, 121. 60	346, 805. 60	66. 03	69. 22	69. 36
$750,000	521, 619. 60	542, 085. 60	540, 537. 60	69. 55	72. 28	72. 07
$1,000,000	717, 583. 60	738, 085. 60	736, 519. 60	71. 76	73. 81	73. 65
$2,000,000	1, 510, 565. 60	1, 531, 067. 60	1, 529, 501. 60	75. 53	76. 55	76. 47
$5,000,000	3, 916, 547. 60	3, 937, 049. 60	3, 935, 483. 60	78. 33	78. 74	78. 71

TABLE IV

Comparison of amount of tax increase over present law

Net income	Single person		Married person, no dependent	
	Treasury plan	House bill	Treasury plan	House bill
$900	$12. 10	$5. 50		
$1,000	24. 20	11. 00		
$2,000	145. 20	66. 00		
$2,500	205. 70	93. 50	$60. 50	$27. 50
$3,000	272. 80	127. 60	121. 00	55. 00
$4,000	426. 80	215. 60	242. 00	114. 00
$5,000	576. 40	301. 40	396. 00	198. 00
$6,000	708. 40	378. 40	550. 00	286. 00
$7,000	842. 60	459. 80	682. 00	363. 00
$8,000	985. 60	558. 80	814. 00	440. 00
$9,000	1, 128. 60	662. 20	957. 00	539. 00
$10,000	1, 271. 60	783. 20	1, 100. 00	638. 00
$15,000	1, 984. 40	1, 458. 60	1, 815. 00	1, 287. 00
$20,000	2, 596. 00	2, 160. 40	2, 464. 00	2, 002. 00
$25,000	3, 099. 80	2, 820. 40	2, 981. 00	2, 662. 00
$30,000	3, 594. 80	3, 480. 40	3, 476. 00	3, 322. 00
$50,000	5, 517. 60	6, 006. 00	5, 412. 00	5, 874. 00
$60,000	6, 296. 40	7, 004. 80	6, 204. 00	6, 886. 00
$80,000	7, 836. 40	8, 672. 40	7, 744. 00	8, 580. 00
$100,000	9, 064. 00	9, 900. 00	8, 998. 00	9, 834. 00
$150,000	9, 977. 60	10, 661. 60	10, 083. 20	10, 767. 20
$250,000	11, 487. 60	12, 171. 60	11, 466. 00	12, 150. 00
$500,000	15, 987. 60	16, 671. 60	15, 966. 00	16, 650. 00
$750,000	20, 487. 60	18, 928. 80	20, 466. 00	18, 918. 00
$1,000,000	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00
$2,000,000	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00
$5,000,000	20, 502. 00	18, 936. 00	20, 502. 00	18, 936. 00

TABLE V

Comparison of percent increase in tax over present law

Net income	Single person		Married person, no dependents	
	Treasury plan	House bill	Treasury plan	House bill
	Percent	*Percent*	*Percent*	*Percent*
$900	2, 750. 00	1, 250. 00		
$1,000	550. 00	250. 00		
$2,000	330. 00	150. 00		
$2,500	322. 41	146. 55	550. 00	250. 00
$3,000	326. 32	152. 63	392. 86	178. 57
$4,000	346. 43	175. 00	343. 75	161. 93
$5,000	335. 90	175. 64	360. 00	180. 00
$6,000	277. 59	148. 28	367. 65	191. 18
$7,000	245. 51	133. 97	292. 45	155. 66
$8,000	219. 61	124. 51	256. 94	138. 89
$9,000	201. 97	118. 50	226. 56	127. 60
$10,000	185. 26	114. 10	208. 33	120. 83
$15,000	134. 43	98. 81	144. 23	102. 27
$20,000	97. 36	81. 02	105. 46	85. 68
$25,000	72. 89	66. 32	77. 56	69. 26
$30,000	59. 29	57. 40	61. 91	59. 17
$50,000	37. 51	40. 83	38. 31	41. 58
$60,000	31. 55	35. 10	32. 11	35. 64
$80,000	24. 92	27. 57	25. 19	27. 91
$100,000	20. 48	22. 36	20. 70	22. 62
$150,000	12. 73	13. 61	13. 01	13. 89
$250,000	7. 78	8. 25	7. 81	8. 27
$500,000	4. 83	5. 04	4. 84	5. 04
$750,000	3. 92	3. 62	3. 92	3. 63
$1,000,000	2. 85	2. 64	2. 86	2. 64
$2,000,000	1. 36	1. 25	1. 36	1. 25
$5,000,000	. 52	. 48	. 52	. 48

Table VI

Comparison of tax on single person (all income earned)

Net income	Tax under—				
	Present law	Treasury plan	House bill	House rates with exemption reduced to $750	Increase over House bill
$750					
$800				$2. 75	$2. 75
$900	$0. 44	$12. 54	$5. 94	10. 89	4. 95
$1,000	4. 40	28. 60	15. 40	20. 35	4. 95
$1,500	24. 20	108. 90	62. 70	67. 65	4. 95
$2,000	44. 00	189. 20	110. 00	114. 95	4. 95
$2,500	63. 80	269. 50	157. 30	162. 25	4. 95
$3,000	83. 60	356. 40	211. 20	217. 80	6. 60
$4,000	123. 20	550. 00	338. 80	345. 40	6. 60
$5,000	171. 60	748. 00	473. 00	481. 00	8. 25
$6,000	255. 20	963. 60	633. 60	641. 85	8. 25
$7,000	343. 20	1, 185. 80	803. 00	813. 45	10. 45
$8,000	448. 80	1, 434. 40	1, 007. 60	1, 018. 05	10. 45
$9,000	558. 80	1, 687. 40	1, 221. 00	1, 233. 65	12. 65
$10,000	686. 40	1, 958. 00	1, 469. 60	1, 482. 25	12. 65
$15,000	1, 476. 20	3, 460. 60	2, 934. 80	2, 952. 40	17. 60
$20,000	2, 666. 40	5, 262. 40	4, 826. 80	4, 847. 15	20. 35
$25,000	4, 252. 60	7, 352. 40	7, 073. 00	7, 096. 65	23. 65
$30,000	6, 063. 20	9, 658. 00	9, 543. 60	9, 568. 90	25. 30

$50,000	14, 709. 20	20, 226. 80	20, 715. 20	20, 744. 90	29. 70
$60,000	19, 954. 00	26, 250. 40	26, 958. 80	26, 990. 15	31. 35
$80,000	31, 451. 20	39, 287. 60	40, 123. 60	40, 157. 15	33. 55
$100,000	44, 268. 40	53, 332. 40	54, 168. 40	54, 204. 15	35. 75
$150,000	78, 350. 80	88, 328. 40	89, 012. 40	89, 042. 10	29. 70
$250,000	147, 576. 40	159, 064. 00	159, 748. 00	159, 778. 60	30. 60
$500,000	330, 933. 20	346, 920. 80	347, 604. 80	347, 638. 10	33. 30
$750,000	522, 418. 80	542, 906. 40	541, 347. 60	541, 381. 35	33. 75
$1,000,000	718, 404. 40	738, 906. 40	737, 340. 40	737, 374. 60	34. 20
$2,000,000	1, 511, 397. 20	1, 531, 899. 20	1, 530, 333. 20	1, 530, 367. 85	34. 65
$5,000,000	3, 917, 390. 00	3, 937, 892. 00	3, 936, 326. 00	3, 936, 361. 10	35. 10

TABLE VII

Comparison of tax on married person, no dependents (all income earned)

Net income	Tax under—				
	Present law	Treasury plan	House bill	House rates with exemption reduced to $1,500	Increase over House bill
$2,000				$40. 70	$40. 70
$2,500	$11. 00	$71. 50	$38. 50	88. 00	49. 50
$3,000	30. 80	151. 80	85. 80	135. 30	49. 50
$4,000	70. 40	312. 40	180. 40	246. 40	66. 00
$5,000	110. 00	506. 00	308. 00	374. 00	66. 00
$6,000	149. 60	699. 60	435. 60	518. 10	82. 50
$7,000	233. 20	915. 20	596. 20	678. 70	82. 50
$8,000	316. 80	1, 130. 80	756. 80	861. 30	104. 50
$9,000	422. 40	1, 379. 40	961. 40	1, 065. 90	104. 50
$10,000	528. 00	1, 628. 00	1, 166. 00	1, 292. 50	126. 50
$15,000	1, 258. 40	3, 073. 40	2, 545. 40	2, 704. 90	159. 50
$20,000	2, 336. 40	4, 800. 40	4, 338. 40	4, 541. 90	203. 50
$25,000	3, 843. 40	6, 824. 40	6, 505. 40	6, 741. 90	236. 50
$30,000	5, 614. 40	9, 090. 40	8, 936. 40	9, 189. 40	253. 00
$50,000	14, 128. 40	19, 540. 40	20, 002. 40	20, 299. 40	297. 00
$60,000	19, 320. 40	25, 524. 40	26, 206. 40	26, 519. 90	313. 50
$80,000	30, 738. 40	38, 482. 40	39, 318. 40	39, 653. 90	335. 50
$100,000	43, 476. 40	52, 474. 40	53, 310. 40	53, 667. 90	357. 50
$150,000	77, 532. 40	87, 615. 60	88, 299. 60	88, 596. 60	297. 00

$250,000	146, 863. 60	158, 329. 60	159, 013. 60	159, 319. 60	306. 00
$500,000	330, 155. 60	346, 121. 60	346, 805. 60	347, 138. 60	333. 00
$750,000	521, 619. 60	542, 085. 60	540, 537. 60	540, 875. 10	337. 50
$1,000,000	717, 583. 60	738, 085. 60	736, 519. 60	736, 861. 60	342. 00
$2,000,000	1, 510, 565. 60	1, 531, 067. 60	1, 529, 501. 60	1, 529, 848. 10	346. 50
$5,000,000	3, 916, 547. 60	3, 937, 049. 60	3, 935, 483. 60	3, 935, 834. 60	351. 00

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