

**DISTRIBUTION OF CERTAIN FEDERAL TAX LIABILITIES  
BY INCOME CLASS FOR CALENDAR YEAR 2001**

Prepared by the Staff  
of the  
JOINT COMMITTEE ON TAXATION



JCX-2-01  
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## INTRODUCTION

This document,<sup>1</sup> prepared by the staff of the Joint Committee on Taxation, shows the distribution for calendar year 2001 of certain Federal tax liabilities of individuals by income class. The first table shows the distribution of the Federal individual income tax and the second table shows the distribution of the Federal individual income tax, Federal excise taxes, and Federal employment taxes.

For purposes of these tables, the income concept used for classifying taxpayers is adjusted gross income (“AGI”) plus: (1) tax-exempt interest, (2) employer contributions for health plans and life insurance, (3) employer share of FICA tax, (4) worker’s compensation, (5) nontaxable Social Security benefits, (6) insurance value of Medicare benefits, (7) alternative minimum tax preference items, and (8) excluded income of U.S. citizens living abroad.

The first table shows the distribution of the Federal individual income tax, including the outlay portion of the earned income credit (“EIC”). The table shows, by income category, (1) the number of returns and the percent of all returns represented by the category, (2) the aggregate income and the percent of all income represented by the category, (3) the aggregate individual income taxes paid and the percent of all individual income taxes paid by the category, and (4) the number of returns with zero or negative tax liability and the percent of all returns with zero or negative tax liability represented by the category.

The second table shows the distribution of the combined Federal individual income tax (including the outlay portion of the EIC), Federal excise taxes, and Federal employment taxes (those taxes required under the Federal Insurance Contributions Act and Federal Unemployment Tax Act). The table shows (1) the number of returns and the percent of all returns represented by the category, (2) the aggregate income and the percent of all income represented by the category, and (3) the aggregate Federal taxes paid and the percent of all Federal taxes paid by the category.

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Distribution of Certain Federal Tax Liabilities by Income Class for Calendar Year 2001* (JCX-2-01), February 27, 2001.

**DISTRIBUTION OF  
FEDERAL INDIVIDUAL INCOME TAX LIABILITY (1)**

**Calendar Year 2001**

INCOME CATEGORY (2)	NUMBER OF RETURNS (3)		INCOME		INDIVIDUAL INCOME TAX		NUMBER OF RETURNS WITH ZERO OR NEGATIVE LIABILITY	
	Millions	Percent	Billions	Percent	Billions	Percent	Millions	Percent
Less than \$10,000.....	19.9	14.0%	\$83	1.0%	-\$6	-0.6%	18.8	38.7%
10,000 to 20,000.....	23.3	16.4%	347	4.2%	-10	-1.0%	16.2	33.3%
20,000 to 30,000.....	18.5	13.0%	460	5.6%	9	0.9%	8.1	16.6%
30,000 to 40,000.....	15.8	11.1%	549	6.7%	28	2.8%	3.2	6.6%
40,000 to 50,000.....	13.1	9.2%	589	7.2%	39	3.9%	1.4	3.0%
50,000 to 75,000.....	21.9	15.4%	1,337	16.4%	112	11.1%	0.8	1.6%
75,000 to 100,000.....	12.9	9.1%	1,121	13.7%	119	11.8%	0.1	0.1%
100,000 to 200,000.....	12.8	9.0%	1,683	20.6%	237	23.6%	(4)	0.1%
200,000 and over.....	3.8	2.7%	1,999	24.5%	478	47.5%	(4)	(5)
<b>Total, All Taxpayers....</b>	<b>142.0</b>	<b>100.0%</b>	<b>\$8,168</b>	<b>100.0%</b>	<b>\$1,006</b>	<b>100.0%</b>	<b>48.6</b>	<b>100.0%</b>
Highest 10%.....	14.2	10.0%	3,431	42.0%	686	68.2%	(4)	0.1%
Highest 5%.....	7.1	5.0%	2,556	31.3%	570	56.6%	(4)	(5)
Highest 1%.....	1.4	1.0%	1,402	17.2%	361	35.9%	(4)	(5)

**Source: Joint Committee on Taxation**

Detail may not add to total due to rounding.

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(1) Includes the outlay portion of the EIC.

(2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable social security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2001 levels.

The highest 10% begins at \$107,455, the highest 5% at \$145,199 and the highest 1% at \$340,306.

(3) Includes filing and nonfiling units. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded.

(4) Less than 50,000.

(5) Less than 0.005%.

**DISTRIBUTION OF  
FEDERAL TAX LIABILITY (1)**

**Calendar Year 2001**

INCOME CATEGORY (2)	NUMBER OF RETURNS (3)		INCOME		FEDERAL TAX LIABILITY	
	Millions	Percent	Billions	Percent	Billions	Percent
Less than \$10,000.....	19.9	14.0%	\$83	1.0%	\$7	0.4%
10,000 to 20,000.....	23.3	16.4%	347	4.2%	26	1.5%
20,000 to 30,000.....	18.5	13.0%	460	5.6%	62	3.5%
30,000 to 40,000.....	15.8	11.1%	549	6.7%	89	5.1%
40,000 to 50,000.....	13.1	9.2%	589	7.2%	102	5.9%
50,000 to 75,000.....	21.9	15.4%	1,337	16.4%	256	14.6%
75,000 to 100,000.....	12.9	9.1%	1,121	13.7%	244	13.9%
100,000 to 200,000.....	12.8	9.0%	1,683	20.6%	408	23.3%
200,000 and over.....	3.8	2.7%	1,999	24.5%	555	31.7%
<b>Total, All Taxpayers....</b>	<b>142.0</b>	<b>100.0%</b>	<b>\$8,168</b>	<b>100.0%</b>	<b>\$1,748</b>	<b>100.0%</b>
Highest 10%.....	14.2	10.0%	3,431	42.0%	907	51.9%
Highest 5%.....	7.1	5.0%	2,556	31.3%	696	39.8%
Highest 1%.....	1.4	1.0%	1,402	17.2%	396	22.6%

**Source: Joint Committee on Taxation**

Detail may not add to total due to rounding.

(1) Federal taxes are equal to individual income tax (including the outlay portion of the EIC), employment tax (attributed to employees), and excise taxes (attributed to consumers). Corporate income tax and estate and gift taxes are not included due to uncertainty concerning the incidence of these taxes.

(2) The income concept used to place tax returns into income categories is adjusted gross income (AGI) plus: [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] employer share of FICA tax, [4] worker's compensation, [5] nontaxable social security benefits, [6] insurance value of Medicare benefits, [7] alternative minimum tax preference items, and [8] excluded income of U.S. citizens living abroad. Categories are measured at 2001 levels.

The highest 10% begins at \$107,455, the highest 5% at \$145,199 and the highest 1% at \$340,306.

(3) Includes filing and nonfiling units. Individuals who are dependents of other taxpayers and taxpayers with negative income are excluded.