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**Percentage of Households Whose Payroll Taxes Exceed Their Income Taxes
by Household Income Quintile, Selected Years 1979 to 2006**

Income Category	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Households That Pay Either Payroll or Income Taxes												
<i>Including the Employee and Employer Shares of Payroll Taxes</i>												
Lowest Quintile	97.5	96.7	96.1	95.5	95.7	93.7	95.7	95.8	97.4	97.6	97.6	97.3
Second Quintile	89.6	87.8	87.5	88.5	88.5	89.7	89.1	89.7	90.8	90.3	90	90.7
Middle Quintile	65.4	56.6	60.3	69.1	75.3	78.1	78.3	78.8	80.5	78.6	79.6	79.1
Fourth Quintile	30	24.8	29.1	38.8	50.1	55.8	59.8	61.3	69.7	71.6	69.8	72
Highest Quintile	7.9	6.6	8.6	13	18.6	23.4	25.9	27	27.7	30.6	29	31.9
All Quintiles	53	49.2	51.1	55.9	61.2	64.6	66.2	67	70	70.7	70.1	71.3
<i>Including Only the Employee Share of Payroll Taxes</i>												
Lowest Quintile	93.6	90.7	89.8	90.7	92.1	89.6	92.6	93.2	95.8	96.3	96.1	95.4
Second Quintile	45.5	41.1	39.7	47.4	52	51.9	54.3	57.3	67.4	69.3	67.8	67.6
Middle Quintile	14.5	12.4	13.3	16.1	19.1	21.3	22	23.7	27.7	29.9	27.4	28.4
Fourth Quintile	4.5	4.1	4.4	6	6.9	8.6	8.8	9.3	9.8	10.7	10.4	11.2
Highest Quintile	1.7	1.9	2	2.9	2.9	3.8	4.1	3.6	2.8	2.6	2.7	3.2
All Quintiles	26.2	24.6	24.2	26.6	28.5	29.9	30.8	31.8	34.8	36	35.2	35.7
Households That Pay Payroll Taxes												
<i>Including the Employee and Employer Shares of Payroll Taxes</i>												
Lowest Quintile	99.1	99	98.7	98.4	98.6	98.1	98.5	99	99.3	99.3	99.3	99.2
Second Quintile	94.6	92.9	93.5	94.6	94.4	94.9	95.1	95.5	96.1	96	96	96.2
Middle Quintile	71.6	62.5	67.6	78.5	85.2	87.1	89.3	89.3	91.3	90.3	90.6	90.8
Fourth Quintile	32.6	27.3	32.5	44	55.8	62.6	67.3	69	78.1	80.3	78.6	81.2
Highest Quintile	8.8	7.4	9.8	14.6	20.7	26	28.6	29.7	30.4	33.5	32.1	35.2
All Quintiles	57.2	53.4	56.1	61.7	67	70.6	72.6	73.4	76.3	77.3	76.9	78.2
<i>Including Only the Employee Share of Payroll Taxes</i>												
Lowest Quintile	95.1	92.7	92.2	93.5	94.8	93.8	95.3	96.2	97.6	97.9	97.8	97.2
Second Quintile	48.1	43.4	42.4	50.7	55.4	54.9	57.9	61	71.3	73.6	72.2	71.6
Middle Quintile	15.8	13.7	14.9	18.3	21.5	23.8	25	26.9	31.4	34.3	31.2	32.5
Fourth Quintile	4.9	4.5	5	6.8	7.7	9.6	9.9	10.5	11	12	11.7	12.6
Highest Quintile	1.9	2.1	2.3	3.2	3.2	4.2	4.5	4	3.1	2.9	3	3.5
All Quintiles	28.2	26.6	26.6	29.3	31.2	32.7	33.7	34.8	37.9	39.3	38.5	39.1

Notes at end of table.

**Percentage of Households Whose Payroll Taxes Exceed Their Income Taxes
by Household Income Quintile, Selected Years 1979 to 2006--continued**

Income Category	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2005	2006
Households That Pay Either Payroll or Income Taxes												
<i>Including the Employee and Employer Shares of Payroll Taxes</i>												
Lowest Quintile	97.3	97.4	97.6	98.1	97.9	98	97.8	97.7	98	97.7	98.8	99
Second Quintile	91.3	91.6	91.6	93	92.6	92.4	92.6	92.1	92	91.8	94.6	95.2
Middle Quintile	78.3	80.5	81	80.2	81.4	80.7	79.8	78.9	78.2	78.3	85.2	84.6
Fourth Quintile	73.4	74.6	74.8	75.3	75.1	74	73.8	74.9	73.6	73.5	76.8	75.8
Highest Quintile	33.6	36.2	36.3	36	34.3	32.7	30.1	30	27.7	26.3	41.9	40.3
All Quintiles	71.9	73.2	73.4	73.6	73.5	72.7	71.9	72	71.1	70.6	77.4	76.9
Households That Pay Payroll Taxes												
<i>Including Only the Employee Share of Payroll Taxes</i>												
Lowest Quintile	95.7	95.9	96.2	96.9	96.6	96.3	96.2	96	96.4	96.1	98.4	98.6
Second Quintile	70.5	74.5	75	76.9	73.7	73.8	72.4	75	74.2	74.2	88.2	88.4
Middle Quintile	29.4	33.8	34.9	34.2	34.4	34.2	31.7	40.7	41.5	41.4	63.5	62.7
Fourth Quintile	11.4	12.7	13	13.1	13.9	13.3	12.8	16.3	16.7	17	34.6	33.7
Highest Quintile	3.8	3.4	3.3	3.2	3.1	3.1	2.9	3	3	2.8	8	7.7
All Quintiles	36.6	38.4	38.7	38.8	38.8	38.7	37.9	41.4	41.7	41.3	54.6	54.4
Households That Pay Payroll Taxes												
<i>Including the Employee and Employer Shares of Payroll Taxes</i>												
Lowest Quintile	99.3	99.2	99.3	99.4	99.4	99.3	99.3	99.3	99.4	99.3	99.7	99.7
Second Quintile	96.2	96.2	96.3	96.8	96.5	96.6	96.7	96.6	96.7	96.8	98.4	98.5
Middle Quintile	90.5	92	91.2	91.6	92.4	91.6	90.9	91.2	91.1	90.9	94.3	94.3
Fourth Quintile	83	84.2	83.5	83.9	83.9	83.1	82.5	82.9	81.2	80.8	86.5	85.5
Highest Quintile	37.3	39.7	39.8	39.4	37.9	36.4	33.7	33.5	30.9	29.3	46.5	44.9
All Quintiles	79	80	79.7	79.9	79.9	79.2	78.4	78.7	77.7	77.2	83.7	83.3
Households That Pay Payroll Taxes												
<i>Including Only the Employee Share of Payroll Taxes</i>												
Lowest Quintile	97.6	97.7	97.9	98.1	98.1	97.6	97.7	97.6	97.7	97.6	99.2	99.4
Second Quintile	74.2	78.2	78.7	79.9	76.8	77.1	75.5	78.7	78	78.2	91.7	91.4
Middle Quintile	34	38.7	39.3	39	39.1	38.8	36.1	47.1	48.4	48	70.4	69.8
Fourth Quintile	12.9	14.3	14.6	14.6	15.6	14.9	14.3	18	18.5	18.7	38.9	38
Highest Quintile	4.2	3.7	3.7	3.5	3.4	3.4	3.2	3.3	3.4	3.1	8.9	8.6
All Quintiles	40.2	41.9	42	42.1	42.2	42.2	41.4	45.2	45.5	45.2	58.9	58.8

**Percentage of Households Whose Payroll Taxes Exceed Their Income Taxes
by Household Income Quintile, Selected Years 1979 to 2006--continued**

Sources: Congressional Budget Office, Effective Federal Tax Rates: 1979 to 2000 (August 2003), Effective Federal Tax Rates: 1979 to 2005 (December 2007), and Effective Federal Tax Rates: 1979 to 2006 (April 2009).

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).

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. Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other 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.