

Average Federal Tax Rates for Households with Children, by Comprehensive Household Income Quintile, 1979-2019

Table with columns: Year, Lowest Quintile, Second Quintile, Middle Quintile, Fourth Quintile, Highest Quintile, All Quintiles, Pct. > 50th Percentile, Pct. > 90th Percentile, Pct. > 95th Percentile, Top 1%. Rows show data for years 1979 through 2019.

Average Individual Income Tax Rate (percent)

Table with columns: Year, Lowest Quintile, Second Quintile, Middle Quintile, Fourth Quintile, Highest Quintile, All Quintiles, Pct. > 50th Percentile, Pct. > 90th Percentile, Pct. > 95th Percentile, Top 1%. Rows show data for years 1979 through 2019.

Average Payroll Tax Rate (percent)

Table with columns: Year, Lowest Quintile, Second Quintile, Middle Quintile, Fourth Quintile, Highest Quintile, All Quintiles, Pct. > 50th Percentile, Pct. > 90th Percentile, Pct. > 95th Percentile, Top 1%. Rows show data for years 1979 through 2019.

Average Corporate Income Tax Rate (percent)

Table with columns: Year, Lowest Quintile, Second Quintile, Middle Quintile, Fourth Quintile, Highest Quintile, All Quintiles, Pct. > 50th Percentile, Pct. > 90th Percentile, Pct. > 95th Percentile, Top 1%. Rows show data for years 1979 through 2019.

Average Excise Tax Rate (percent)

Table with columns: Year, Lowest Quintile, Second Quintile, Middle Quintile, Fourth Quintile, Highest Quintile, All Quintiles, Pct. > 50th Percentile, Pct. > 90th Percentile, Pct. > 95th Percentile, Top 1%. Rows show data for years 1979 through 2019.

Source: Congressional Budget Office, from www.cbo.gov/publications/45535

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income. * is between 0.05 and 0.06 percent.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, dividends and investment income, dividends, interest, capital gains, cash transfer income, and retirement benefits plus Social Security benefits and business (contractors) income and the employer's share of Social Security, Medicare, and federal retirement (insurance) payroll taxes and employee contributions to 401(k) retirement plans.

Other sources of income include all-in-kind benefits (Medicaid, 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. All households consist of the people who share a housing unit, regardless of their relationship. Quiniles, 5th, 90th, and 95th percentiles 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 total.

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