

Shares of Federal Tax Liabilities for All Households, by Comprehensive Household Income Quintile, 1979-2019

Table with columns: Year, Lower Quintile, Second Quintile, Middle Quintile, Fourth Quintile, All, 5th-99th Quintile, 99th-99th Quintile, 99th-99th Quintile, Top 1%. Rows are grouped by tax type: Total Federal Tax Liabilities (Percent), Individual Income Tax Liabilities (Percent), Payroll Tax Liabilities (Percent), and Corporate Income Tax Liabilities (Percent).

Source: Congressional Budget Office, https://www.cbo.gov/publication/55503

Note: Estimates for taxes are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals mean cash income plus income from other sources. These cash income is the sum of wages, salaries, self-employment income, rents, benefits and nontransferable benefits, dividends, realized capital gains, loan transfer payments, and retirement benefits plus taxes and by business enterprise income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes and employee contributions to 401(k) retirement plans. Other sources of income include all interest benefits (Medicare, Medicaid, employer-paid health insurance payments, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income quintiles are defined by ranking all households by their comprehensive household income relative to household income with 99th percentile. The 99th percentile is the square root of the 99th percentile. All households with the same or a higher rank, regardless of their sub-quintile (Quintiles, or 99th, contain equal numbers of people. Households with negative income (debts) are excluded from the 99th percentile. All households with negative income are excluded from the 99th percentile.

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 income taxes are attributed to them according to their consumption of the broad good or service.

Numbers in the data may not add up to totals because of rounding.