

# History of Federal Individual Income Bottom and Top Bracket Rates

## Historical Income Tax Rates & Brackets

Calendar Year	Tax Rates <sup>1</sup>			
	Bottom bracket		Top bracket	
	Rate (percent)	Taxable Income Up to	Rate (percent)	Taxable Income over
1913-15	1	20,000	7	500,000
1916	2	20,000	15	2,000,000
1917	2	2,000	67	2,000,000
1918	6	4,000	77	1,000,000
1919-20	4	4,000	73	1,000,000
1921	4	4,000	73	1,000,000
1922	4	4,000	56	200,000
1923	3	4,000	56	200,000
1924	<sup>2</sup> 1.5	4,000	46	500,000
1925-28	<sup>2</sup> 1?	4,000	25	100,000
1929	<sup>2</sup> 4?	4,000	24	100,000
1930-31	<sup>2</sup> 1?	4,000	25	100,000
1932-33	4	4,000	63	1,000,000
1934-35	<sup>3</sup> 4	4,000	63	1,000,000
1936-39	<sup>3</sup> 4	4,000	79	5,000,000
1940	<sup>3</sup> 4.4	4,000	81.1	5,000,000
1941	<sup>3</sup> 10	2,000	81	5,000,000
1942-43 <sup>4</sup>	<sup>3</sup> 19	2,000	88	200,000
1944-45	23	2,000	<sup>5</sup> 94	200,000
1946-47	19	2,000	<sup>5</sup> 86.45	200,000
1948-49	16.6	4,000	<sup>5</sup> 82.13	400,000
1950	17.4	4,000	<sup>5</sup> 91	400,000

1951	20.4	4,000	<u>5</u> 91	400,000
1952-53	22.2	4,000	<u>5</u> 92	400,000
1954-63	20	4,000	<u>5</u> 91	400,000
1964	16	1,000	77	400,000
1965-67	14	1,000	70	200,000
1968	14	1,000	<u>6</u> 75.25	200,000
1969	14	1,000	<u>6</u> 77	200,000
1970	14	1,000	<u>6</u> 71.75	200,000
1971	14	1,000	<u>7</u> 70	200,000
1972-78	<u>8</u> 14	1,000	<u>7</u> 70	200,000
1979-80	814	2,100	<u>7</u> 70	212,000
1981	<u>8</u> <u>9</u> 13.825	2,100	<u>7</u> <u>9</u> 69.125	212,000
1982	<u>8</u> 12	2,100	50	106,000
1983	<u>8</u> 11	2,100	50	106,000
1984	<u>8</u> 11	2,100	50	159,000
1985	<u>8</u> 11	2,180	50	165,480
1986	<u>8</u> 11	2,270	50	171,580
1987	<u>8</u> 11	3,000	38.5	90,000
1988	<u>8</u> 15	29,750	<u>10</u> 28	29,750
1989	<u>8</u> 15	30,950	<u>10</u> 28	30,950
1990	<u>8</u> 15	32,450	<u>10</u> 28	32,450
1991	<u>8</u> 15	34,000	31	82,150
1992	<u>8</u> 15	35,800	31	86,500
1993	<u>8</u> 15	36,900	39.6	250,000
1994	<u>8</u> 15	38,000	39.6	250,000
1995	<u>8</u> 15	39,000	39.6	256,500
1996	<u>8</u> 15	40,100	39.6	263,750
1997	<u>8</u> 15	41,200	39.6	271,050
1998	<u>8</u> 15	42,350	39.6	278,450

1999	<u>8</u> 15	43,050	39.6	283,150
2000	<u>8</u> 15	43,850	39.6	288,350
2001	<u>8</u> 15	45,200	39.1	297,350
2002	<u>8</u> 10	12,000	38.6	307,050
2003 <sup>11</sup>	<u>8</u> 10	14,000	35.0	311,950
2004	<u>8</u> 10	14,300	35.0	319,100
2005	<u>8</u> 10	14,600	35.0	326,450
2006	<u>8</u> 10	15,100	35.0	336,550
2007	<u>8</u> 10	15,650	35.0	349,700
2008	<u>8</u> 10	16,050	35.0	357,700
2009	10	16,700	35.0	372,950
2010	10	16,700	35.0	373,650
2011 <sup>12</sup>	10	17,000	35.0	379,150

<sup>1</sup> Taxable income excludes zero bracket amount from 1977 through 1986. Rates shown apply only to married persons filing joint returns beginning in 1948. Does not include either the add on minimum tax on preference items (1970-1982) or the alternative minimum tax (1979-present). Also, does not include the effects of the various tax benefit phase-outs (e.g. the personal exemption phase-out). From 1922 through 1986 and from 1991 forward, lower rates applied to long-term capital gains.

<sup>2</sup> After earned-income deduction equal to 25 percent of earned income.

<sup>3</sup> After earned-income deduction equal to 10 percent of earned income.

<sup>4</sup> Exclusive of Victory Tax.

<sup>5</sup> Subject to the following maximum effective rate limitations.

[year and maximum rate (in percent)] 1944-45 –90; 1946-47 –85.5; 1948-49 –77.0; 1950 –87.0; 1951 –87.2; 1952-53 –88.0; 1954-63 –87.0.

<sup>6</sup> Includes surcharge of 7.5 percent in 1968, 10 percent in 1969, and 2.6 percent in 1970.

<sup>7</sup> Earned income was subject to maximum marginal rates of 60 percent in 1971 and 50 percent from 1972 through 1981.

<sup>8</sup> Beginning in 1975, a refundable earned-income credit is allowed for low-income individuals.

<sup>9</sup> After tax credit is 1.25 percent against regular tax.

<sup>10</sup> The benefit of the first rate bracket is eliminated by an increased rate above certain thresholds. The phase-out range of the benefit of the first rate bracket was as follows: Taxable income between \$71,900 and \$149,250 in 1988; taxable income between \$74,850 and \$155,320 in 1989; and taxable income between \$78,400 and \$162,770 in 1990. The phase-out of the benefit the first rate bracket was repealed for taxable years beginning after December 31, 1990. This added 5 percentage points to the marginal rate for those by the phaseout, producing a 33 percent effective rate.

<sup>11</sup> Rates for 2003 are after enactment of the Jobs and Growth Tax Relief Reconciliation Act. Prior to enactment the rates were 10% up to \$12,000 and 38.6% on amounts over \$311,950.

<sup>12</sup> The 2011 rates were extended for two years after enactment of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

Sources: Joint Committee on Taxation, "Overview of Present Law and Economic Analysis Relating to Marginal Tax Rates and the President's Individual Income Tax Rate Proposals" (JCX-6-01), March 6, 2001, and Congressional Research Service, "Statutory Individual Income Tax Rates and Other Elements of the Tax System: 1988 through 2008," (RL34498) May 21, 2008. Tax Foundation, "Federal Individual Income Tax Rates History: Income Years 1913-2011,"