



Individual Income Tax Rates: 1989 through 2007

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Summary

Over the past several years there have been five major changes in federal individual marginal income tax rates. The Tax Reform Act of 1986, the Omnibus Budget Reconciliation Act of 1990, the Omnibus Budget Reconciliation Act of 1993, the Economic Growth and Tax Relief Reconciliation Act of 2001, the Jobs and Growth Tax Relief Reconciliation Act of 2003, and the Working Families Tax Relief Act of 2004 all changed the marginal income tax rate structure. The marginal income tax rate structure for 2006 consists of six statutory marginal rates: 10%, 15%, 25%, 28%, 33%, and 35%.

Although these acts changed the tax rate structure, they maintained, in a slightly modified form, the policy of tax indexation introduced in 1981. Under current law, the personal exemptions, standard deductions, earned income tax credit, the personal exemption phaseout threshold, the itemized deduction limitation threshold, the tax rate brackets, and other components of the tax structure are indexed for inflation. Tax indexation helps prevent inflation from producing automatic tax increases and unintended changes in the distribution of the tax burden.

This report is updated annually to reflect the most recent indexation adjustments.

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Over the past several years, there have been five major changes in federal individual marginal income tax rates. The Tax Reform Act of 1986 (TRA86) created an individual marginal income tax rate structure that consisted of two statutory tax rates, 15% and 28%. However, TRA86 also legislated a 5% surcharge on the taxable income of certain upper-income households, which effectively created a third marginal tax rate of 33%.

The Omnibus Budget Reconciliation Act of 1990 (OBRA90) eliminated the 5-percent surcharge and created a marginal tax rate structure consisting of three statutory marginal tax rates of 15%, 28%, and 31%. However, OBRA90 also contained a provision that limited the amount of itemized deductions that upper-income households could claim and a provision that modified the phaseout of the tax benefits of personal exemptions for upper-income households.

The Omnibus Budget Reconciliation Act of 1993 (OBRA93) added two new marginal income tax rates, 36% and 39.6%, at the upper end of the income scale. It also delayed indexation of the two new tax brackets for one year. In addition, OBRA93 made permanent the limitation on itemized deductions and the phaseout of the tax benefits of the personal exemption.

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA 2001) created a new 10% marginal income tax bracket. It also reduced the top four marginal tax rates to 25%, 28%, 33%, and 35% with the changes phased-in over the period 2001 through 2006.

The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA 2003) accelerated, to 2003, the phase-in of the tax rate reductions originally enacted in EGTRRA 2001.

The Working Families Tax Relief Act of 2004 extended through 2010 most of the tax changes enacted as part of the 2003 Act.

The following sections of this report describe the changes in the marginal tax rate structure over the past several years. In addition, the reasons for tax indexation and the mechanics of tax indexation are briefly explained. The final section contains the tax rate schedules, exemption amounts, and standard deductions for joint, single, and head of household returns for tax years 1989 through 2007.¹

Tax Reform Act of 1986

Prior to 1986 there were approximately 14 marginal income tax rates ranging from 11% to 50%. For tax years after 1987, the Tax Reform Act reduced the marginal tax rate structure to two statutory tax rates of 15% and 28%.

Although the Tax Reform Act specified that there were only two statutory individual marginal income tax rates, it also adopted a 5% surcharge on the taxable income of certain upper-income households. This surcharge effectively created a third marginal tax rate of 33% (28% statutory marginal tax rate plus 5% surcharge) and produced an anomaly in the tax code that came to be known as the tax rate “bubble.”

¹ This report concentrates on statutory marginal income tax rates, which are the rates of tax applicable on an increment of taxable income. Average tax rates, on the other hand, are tax liability expressed as a percentage of income.

Because the surcharge was phased out as incomes increased, marginal tax rates rose to 33% but then fell back to 28%. Hence, the tax rate “bubble.” The surcharge was adopted so that the 1986 Act would not change the distribution of the income tax burden relative to its distribution under pre-1986 tax law, would meet the needed revenue targets, and yet allow the 1986 Act to be characterized as having only two statutory marginal tax rates.

The surcharge was designed to phase out the tax benefits of the 15% tax bracket and the tax benefits of the personal exemptions for upper-income households. For joint returns in 1990, the phaseout of the tax benefits of the 15% tax bracket started when taxable income exceeded \$78,400 and ended when taxable income reached \$162,770. For single returns, the phaseout of the 15% tax bracket occurred over the taxable income range of \$47,050 to \$97,620. For heads of households, the phaseout occurred over the taxable income range of \$67,200 to \$134,930.

To demonstrate how the 5% surcharge worked to “phase out” the tax benefits of the 15% tax bracket consider the following example based on joint returns for 1990. The difference between taxing the first \$32,450 of taxable income at 28% instead of 15% was \$4,218.50. Five percent of the difference between the upper and lower phaseout limits was also \$4,218.50 (\$162,770 less \$78,400 multiplied by 5%). Hence, assessing the 5% surcharge on taxable income between \$78,400 and \$162,770 was equivalent to having taxed the first \$32,450 of taxable income at 28% rather than 15%. The 5% surcharge produced identical results for both single and head of household returns. This surcharge effectively raised the marginal tax rate on taxable income within these ranges from 28% to 33% (28% statutory marginal tax rate plus 5% surcharge).

A 5% surcharge was also used to phase out the tax benefits of the personal exemption for upper-income households. In 1990, each personal exemption was worth \$2,050 and produced a tax savings for a household in the 28% marginal tax rate bracket of \$574 (\$2,050 times 28%). To recapture this tax savings a 5% surcharge was assessed against \$11,480 of taxable income for each personal exemption claimed. A 5% surcharge against this amount of taxable income increased tax liability by \$574 (\$11,480 times 5%), which exactly offset the tax savings from the personal exemption.

The phaseout of personal exemptions started immediately after the phaseout of the 15% tax bracket and the phaseout of each exemption occurred sequentially. This meant that the taxable income range over which the 5% surcharge applied depended on the number of personal exemptions claimed on the tax return. For example, on a joint return claiming two personal exemptions the 5% surcharge would apply to taxable income between \$162,770 and \$185,730 (\$162,770 plus two times \$11,480). On a joint return with four personal exemptions, the 5% surcharge would apply to taxable income between \$162,770 and \$208,690 (\$162,770 plus four times \$11,480).

As was also the case with the phaseout of the tax benefits from the 15% tax bracket, the phaseout of the personal exemption effectively raised the statutory marginal tax rate from 28% to 33% (28% regular tax rate plus 5% surcharge). As noted, the income range over which the effective marginal tax rate was 33% depended on the number of personal exemptions claimed.

Omnibus Budget Reconciliation Act of 1990

The Omnibus Budget Reconciliation Act of 1990 (OBRA90) created a three-tiered statutory marginal income tax rate structure with rates of 15%, 28%, and 31%, effective in tax years

beginning in 1991. (The tax rate structure for 1991 is shown in **Table 5**.) OBRA90 also eliminated the tax bubble by repealing the 5% surcharge that was instituted under the Tax Reform Act of 1986 (TRA86). Although the 5% surcharge was repealed, it was replaced with a limitation on itemized deductions and a new approach to phasing out the tax benefits of the personal exemption for upper-income households.

OBRA90 also reintroduced a tax-rate differential on capital gains income. Provisions in the 1986 Act had eliminated the preferential tax treatment of capital gains income and hence, capital gains income was treated as ordinary income and taxed at regular rates of up to 33%. OBRA90 contained a provision which limited the tax on capital gains income to a maximum of 28%. This provision was effective starting in tax year 1991.

The OBRA90 limitation on itemized deductions worked as follows. For tax years starting in 1991, otherwise allowable deductions were reduced by 3% of the amount by which a taxpayer's adjusted gross income (AGI) exceeded \$100,000 (except in the case of married couples filing separate returns where the AGI limit was \$50,000). For example, in 1991, if a taxpayer's AGI were \$110,000, then his otherwise allowable itemized deductions would be reduced by \$300 (\$110,000 less \$100,000 times 3%). This provision effectively raised the marginal income tax rate of those taxpayers affected by approximately 1 percentage point. (A dollar of income in excess of \$100,000 was taxed as if it were \$1.03, since in addition to the extra dollar of income, the taxpayer lost .03 of itemized deductions.)

Allowable deductions for medical expenses, casualty and theft losses, and investment interest were not subject to this limitation. For tax years after 1991, the \$100,000 threshold was indexed for inflation. This provision was originally scheduled to expire after tax year 1995.

The phaseout of the tax benefits of the personal exemption worked as follows. Each personal exemption was phased out by a factor of 2% for each \$2,500 (or fraction of \$2,500) by which a taxpayer's AGI exceeded a given threshold amount. In 1991, the threshold amount for a joint return was \$150,000; for a single return the threshold was \$100,000; and for heads of households the threshold was \$125,000.

For example, in 1991, a joint household whose AGI was \$183,000 would lose 28% of their total personal exemptions claimed. The AGI amount in excess of the threshold in this instance would be \$33,000, \$183,000 AGI less \$150,000 threshold limit. The \$33,000 excess divided by \$2,500 would produce a factor of 13.2 which when rounded up would equal 14. This figure is multiplied by 2% to arrive at the final disallowance amount of 28%. Hence, if the family had claimed two personal exemptions, which at \$2,150 each would total \$4,300, they would only be allowed to deduct \$3,096 (\$4,300 total personal exemptions less the \$1,204 disallowance, which is 28% of the total).

For tax years after 1991, these threshold amounts were indexed for inflation. This provision was also scheduled to expire after tax year 1995.

Omnibus Budget Reconciliation Act of 1993

The Omnibus Budget Reconciliation Act of 1993 (OBRA93) made several changes in the individual marginal income tax rate structure. First, it added two new marginal tax rates, 36 and 39.6%, at the upper-end of the income spectrum. (The 39.6% marginal tax rate bracket was

created by imposing a “10% surtax” on high-income taxpayers.) Although OBRA93 was enacted in August of 1993, the increase in the top marginal tax rates was made effective retroactively to January 1, 1993. (Affected taxpayers, however, were not assessed penalties for underpayment of 1993 taxes resulting from the tax rate increase and they were also allowed to pay any additional 1993 taxes in three equal installments over a two-year period.)

Second, OBRA93 delayed indexation of the new top marginal income tax brackets for one year. Hence, the nominal dollar tax brackets for the 36% and 39.6% marginal tax rates will remain at the same level for both tax year 1993 and 1994.

Finally, OBRA93 made permanent both the itemized deduction limitation and the phaseout of the tax benefits from the personal exemption.

Economic Growth and Tax Relief Reconciliation Act of 2001

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) made three major changes to the individual income tax rate structure. First, it created a new 10% marginal income tax bracket for a portion of taxable income that had been taxed at the 15% marginal tax rate. The new 10% marginal income tax rate bracket applied, beginning in tax year 2002, to the first \$12,000 of taxable income for married couples filing jointly, the first \$10,000 of taxable income for heads of households, and the first \$6,000 of taxable income for single individuals. In 2008, the \$6,000 amount for single individuals was scheduled to be \$7,000 and the \$12,000 amount for married taxpayers filing joint returns was scheduled to be \$14,000. Starting with tax year 2009, these marginal tax rate bracket amounts are scheduled to be indexed for inflation.

Second, the 2001 Act reduced the top four marginal income tax rates over the 2001 through 2006 time period. Under prior income tax law, the marginal tax rate structure for individuals consisted of five rates: 15%, 28%, 31%, 36% and 39.6%. The 2001 Act reduced the top four marginal income tax rates over a six-year period to 25%, 28%, 33% and 35% respectively.

Finally, the act increased the width of the 15% tax bracket for married couples filing joint returns to twice the width of the 15% tax bracket for single returns. This provision was scheduled to be phased-in over a four-year time period starting in 2005. The end point of the 15% tax bracket for joint returns was scheduled to be 180% of the end point of the 15% tax bracket for single returns in 2005, 187% in 2006, 193% in 2007, and 200% in 2008 and subsequent years.²

In addition to these changes that directly affected the tax rate structure, the 2001 Act made several other changes of note. It increased the standard deduction for joint returns to twice the size of the standard deduction for single returns, with the change scheduled to be phased in over a five year period, 2005 to 2009. EGTRRA also repealed the limitation on itemized deductions and personal exemptions for high-income taxpayers with the repeal scheduled to be phased in between 2006 and 2010.

² For more information on these changes see CRS Report RS20976, *Individual Income Tax Rates Under the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16)*, by Gregg A. Eesenwein.

Jobs and Growth Tax Relief Reconciliation Act of 2003

The Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) made several changes to the individual income tax rate structure. First, it accelerated to 2003 the tax rate reductions, originally enacted as part of EGTRRA, that were scheduled to occur between 2004 and 2006. Second, it accelerated the scheduled expansion in the 10% tax bracket for single and joint returns to tax years 2003 and 2004. In 2005, the 10% bracket reverts to the levels as scheduled under EGTRRA.

Third, it accelerates the scheduled widening of the 15% tax bracket for joint returns to twice the width of the 15% tax bracket for single returns. This change would be effective for tax years 2003 and 2004. In 2005, the 15% bracket for joint returns would revert to its levels as scheduled under EGTRRA.

Fourth, JGTRRA accelerated the scheduled increase in the standard deduction for joint returns. For tax years 2003 and 2004, the standard deduction for joint returns will be twice the size of the standard deduction for single returns. In 2005, the standard deduction for joint returns reverts to the levels as scheduled under EGTRRA.

The Working Families Tax Relief Act of 2004

In September 2004, Congress passed the Working Families Tax Relief Act of 2004 (WFTRA). WFTRA extended several tax provisions that were scheduled to expire at the end of 2004. These expiring tax reductions were enacted under JGTRRA, which had accelerated implementation of tax reductions originally enacted in 2001 under EGTRRA.

Among other things, WFTRA extended marriage penalty relief (standard deduction and 15% tax bracket for joint returns set at twice the level as those for single returns) through 2008. (In 2009 and 2010, EGTRRA provisions apply, maintaining the level of the standard deduction and 15% tax bracket for joint returns). The 2004 Act also extended the increase in the 10% income tax bracket through 2010.

Effects of Inflation on Real Income Tax Liabilities

In the United States, the federal individual income tax is progressive. That is, as incomes increase, income tax liabilities, when measured as a percentage of income, also increase. Part of this progressivity is achieved through marginal tax rates that increase as taxable income increases. In addition, the income tax is structured on the basis of nominal dollar amounts. Some examples of nominal dollar amounts in the income tax are the personal exemption, the standard deduction, and the earned income tax credit. During periods of inflation, under an unindexed tax system, the progressive nature of the marginal tax rates combined with nominal dollar amounts produces automatic tax increases and unintentional changes in the distribution of the tax burden.

The effects of inflation on real income tax liabilities can be illustrated in the following manner. Consider the case of a four-person family with a \$30,000 income who filed a joint return in 1989.

If we assume that the family did not itemize its deductions, but rather used the standard deduction, then its taxable income would have been \$16,800 (\$30,000 less standard deduction of \$5,200 and four personal exemptions at \$2,000 apiece). Income tax liability on taxable income of \$16,800 would have been \$2,520 which translates into an average tax rate of 8.4% (\$2,520 income tax liability divided by \$30,000 income). (See **Table 1** for 1989 tax rates.)

Now consider what would happen if inflation averaged 5% in 1990. In order to maintain the same real gross income that it had in 1989, the family would have to earn \$31,500 in 1990. In other words, income would have to rise by \$1,500 for the family to maintain the same real purchasing power that it had in the previous year. Assuming there is no indexation, the family's taxable income would be \$18,300 (\$31,500 less the standard deduction of \$5,200 and four personal exemptions at \$2,000 apiece). Income tax owed on a taxable income of \$18,300 would be \$2,745 which translates into an average tax rate of 8.7%. As can be seen from this example, under an unindexed tax system, inflation increased this family's real income tax burden by 0.3 of a percentage point between 1989 and 1990.

If the tax system had been indexed for the assumed 5% inflation, the family would have experienced no increase in their real tax burden. For instance, under an indexed system the value of the standard deduction for a joint return would have increased from \$5,200 in 1989 to \$5,460 in 1990. The personal exemption would have increased from \$2,000 to \$2,100. Under these circumstances the family's 1990 taxable income would have been \$17,640 (\$31,500 income less standard deduction and personal exemptions). Based on this taxable income, their income tax liability would have been \$2,646 which translates into an average tax rate of 8.4%. Thus, under an indexed tax system, the family would have experienced no change in their real income tax liability between 1989 and 1990.

The Mechanics of Indexation

Provisions originally contained in the Economic Recovery Tax Act of 1981 and later amended by the Tax Reform Act of 1986, the Omnibus Budget Reconciliation Act of 1990, and the Omnibus Budget Reconciliation Act of 1993, specify that certain components of the individual income tax system will be indexed for inflation. These components include the standard deductions, the additional standard deductions for the elderly and the blind, the personal exemption, the earned income tax credit (EITC), the income breakpoints between the various tax rate brackets, the income level at which the limitation on itemized deductions becomes effective, and the income level above which the tax benefits of the personal exemptions are phased out.

The adjustment for any given tax year is to be based on the percentage amount by which the average Consumer Price Index for all urban consumers (CPI-U) for the twelve month period ending on August 31 of the preceding year exceeds the average CPI-U during a specified twelve month base period. The base period varies depending upon the tax component under consideration.

With the exception of the EITC, inflation adjustments are rounded down to the nearest multiple of \$50. Although rounding down affects the accuracy of any given year's inflation adjustment, the effect will not be cumulative since each year's adjustment will be calculated to reflect the entire amount of inflation that has occurred between the adjustment year and the base period.

For example, the adjustment factor for the standard deductions in 2002 was calculated as follows. The average CPI-U for the base period, September 1986 through August 1987, was 111.98. The average CPI-U for the period September 2000 through August 2001 was 175.875. Given these amounts, the inflation adjustment factor for 2002 was 1.5705 (175.875/111.98). This inflation adjustment factor was then applied to the base year values of the standard deductions to determine their values for 2002.

For instance, the standard deduction for joint returns in the base year was \$5,000. Multiplying this amount by the inflation adjustment factor produces a 2002 value of \$7,852. Rounding down to the nearest \$50 multiple results in a 2002 standard deduction for joint returns of \$7,850. This same process was applied to all of the other indexed components of the tax code to determine their values in terms of 2002 dollars.

Tax Rate Schedules for 1989 Through 2007

The following tables present the marginal tax rates schedules, personal exemption amounts, and standard deductions for tax years 1989 through 2007.

Table I. Tax Rates, Personal Exemptions, and Standard Deductions, 1989

Personal Exemptions	\$2,000
Standard Deductions	
Joint	\$5,200
Single	3,100
Head of Household	4,550
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$600
Single/Head of Household	750
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 30,950	15% of the amount over \$ 0
\$ 30,950 - \$ 74,850	\$4,642.50 + 28% of the amount over \$ 30,950
\$ 74,850 - \$177,720	\$16,934.50 + 33% of the amount over \$ 74,850
\$177,720 +	\$50,881.60 + 28% of the amount over \$177,720
Marginal Income Tax Rates, Single Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 18,550	15% of the amount over \$ 0
\$ 18,550 - \$ 44,900	\$ 2,782.50 + 28% of the amount over \$ 18,550
\$ 44,900 - \$104,300	\$10,160.50 + 33% of the amount over \$ 44,900
\$104,300 +	\$29,772.40 + 28% of the amount over \$104,300

Marginal Income Tax Rates, Heads of Household

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 24,850	15% of the amount over \$ 0
\$ 24,850 - \$ 64,200	\$ 3,727.50 + 28% of the amount over \$ 24,850
\$151,210 +	\$43,458.80 + 28% of the amount over \$151,210
\$ 64,200 - \$151,210	\$14,745.50 + 33% of the amount over \$ 64,200

Note: "Tax bubble" indicated by italicized areas of the tax rate schedules.

Table 2. Tax Rates, Personal Exemptions, and Standard Deductions, 1990

Personal Exemptions	\$2,050
Standard Deductions	
Joint	\$5,450
Single	3,250
Head of Household	4,750
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$650
Single/Head of Household	800

Marginal Income Tax Rates, Joint Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 32,450	15% of the amount over \$ 0
\$ 32,450 - \$ 78,400	\$ 4,867.50 + 28% of the amount over \$ 32,450
\$ 78,400 - \$185,730	\$17,733.50 + 33% of the amount over \$ 78,400
\$185,730 +	\$53,152.40 + 28% of the amount over \$185,730

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 19,450	15% of the amount over \$ 0
\$ 19,450 - \$ 47,050	\$ 2,917.50 + 28% of the amount over \$ 19,450
\$ 47,050 - \$109,100	\$10,645.50 + 33% of the amount over \$ 47,050
\$109,100 +	\$31,122.00 + 28% of the amount over \$109,100

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 26,050	15% of the amount over \$ 0
\$ 26,050 - 67,200	\$ 3,907.50 + 28% of the amount over \$ 26,050
\$ 67,200 - \$157,890	\$15,429.50 + 33% of the amount over \$ 67,200
\$157,890 +	\$45,357.20 + 28% of the amount over \$157,890

Note: "Tax Bubble" indicated by italicized areas of the tax rate schedules.

Table 3. Tax Rates, Personal Exemptions, and Standard Deductions, 1991

Personal Exemptions	\$2,150
Standard Deductions	
Joint	\$5,700
Single	3,400
Head of Household	5,000
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$650
Single/Head of Household	850
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 34,000	15% of the amount over \$ 0
\$ 34,000 - \$ 82,150	\$ 5,100 + 28% of the amount over \$ 34,000
\$ 82,150 +	\$18,582 + 31% of the amount over \$ 82,150
Marginal Income Tax Rates, Single Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 20,350	15% of the amount over \$ 0
\$ 20,350 - \$ 49,300	\$ 3,052.50 + 28% of the amount over \$ 20,350
\$ 49,300 +	\$11,158.50 + 31% of the amount over \$ 49,300
Marginal Income Tax Rates, Heads of Households	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 27,300	15% of the amount over \$ 0
\$ 27,300 - \$ 70,450	\$ 4,095 + 28% of the amount over \$ 27,300
\$ 70,450 +	\$16,177 + 31% of the amount over \$ 70,450

Table 4. Tax Rates, Personal Exemptions, and Standard Deductions, 1992

Personal Exemptions	\$2,300
Standard Deductions	
Joint	\$6,000
Single	3,600
Head of Household	5,250
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$700
Single/Head of Household	900
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 35,800	15% of the amount over \$ 0
\$ 35,800 - \$ 86,500	\$ 5,370 + 28% of the amount over \$ 35,800
\$ 86,500 +	\$19,566 + 31% of the amount over \$ 86,500

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 21,450	15% of the amount over \$ 0
\$ 21,450 - \$ 51,900	\$ 3,218 + 28% of the amount over \$ 21,450
\$ 51,900 +	\$ 11,744 + 31% of the amount over \$ 51,900

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 28,750	15% of the amount over \$ 0
\$ 28,750 - \$ 74,150	\$ 4,313 + 28% of the amount over \$ 28,750
\$ 74,150 +	\$ 17,235 + 31% of the amount over \$ 74,150

Table 5. Tax Rates, Personal Exemptions, and Standard Deductions, 1993

Personal Exemptions	\$2,350
Standard Deductions	
Joint	\$6,200
Single	3,700
Head of Household	5,450
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$700
Single/Head of Household	900

Marginal Income Tax Rates, Joint Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 36,900	15% of the amount over \$ 0
\$ 36,900 - \$ 89,150	\$5,535 + 28% of the amount over \$36,900
\$ 89,150 - \$ 140,000	\$20,165 + 31% of the amount over \$89,150
\$ 140,000 - \$ 250,000	\$35,929 + 36% of the amount over \$140,000
\$ 250,000 +	\$75,529 + 39.6% of the amount over \$250,000

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 22,100	15% of the amount over \$ 0
\$ 22,100 - \$53,500	\$3,315 + 28% of the amount over \$22,100
\$ 53,500 - \$ 115,000	\$12,107 + 31% of the amount over \$53,500
\$ 115,000 - \$ 250,000	\$31,172 + 36% of the amount over \$115,000
\$ 250,000 +	\$79,772 + 39.6% of the amount over \$250,000

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 29,600	15% of the amount over \$ 0
\$ 29,600 - \$ 76,400	\$4,440 + 28% of the amount over \$29,600
\$ 76,400 - \$ 127,500	\$17,544 + 31% of the amount over \$76,400

\$ 127,500 - \$ 250,000	\$33,385 + 36% of the amount over \$127,500
\$ 250,000 +	\$77,485 + 39.6% of the amount over \$250,000

Table 6. Tax Rates, Personal Exemptions, and Standard Deductions, 1994

Personal Exemptions	\$2,450
Standard Deductions	
Joint	\$6,350
Single	3,800
Head of Household	5,600
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$750
Single/Head of Household	950

Marginal Income Tax Rates, Joint ReturnsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 38,000	15% of the amount over \$ 0
\$ 38,000 - \$ 91,850	\$5,700 + 28% of the amount over \$38,000
\$ 91,850 - \$ 140,000	\$20,778 + 31% of the amount over \$91,850
\$ 140,000 - \$ 250,000	\$35,705 + 36% of the amount over \$140,000
\$ 250,000 +	\$75,305 + 39.6% of the amount over \$250,000

Marginal Income Tax Rates, Single ReturnsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 22,750	15% of the amount over \$ 0
\$ 22,750 - \$ 55,100	\$3,413 + 28% of the amount over \$22,750
\$ 55,100 - \$ 115,000	\$12,471 + 31% of the amount over \$55,100
\$ 115,000 - \$ 250,000	\$31,040 + 36% of the amount over \$115,000
\$ 250,000 +	\$79,640 + 39.6% of the amount over \$250,000

Marginal Income Tax Rates, Heads of HouseholdsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 30,500	15% of the amount over \$ 0
\$ 30,500 - \$ 78,700	\$4,575 + 28% of the amount over \$30,500
\$ 78,700 - \$ 127,500	\$18,071 + 31% of the amount over \$78,750
\$ 127,500 - \$ 250,000	\$33,199 + 36% of the amount over \$127,500
\$ 250,000 +	\$77,299 + 39.6% of the amount over \$250,000

Table 7. Tax Rates, Personal Exemptions, and Standard Deductions, 1995

Personal Exemptions	\$2,500
Standard Deductions	
Joint	\$6,550
Single	3,900
Head of Household	5,750
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$750
Single/Head of Household	950
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 39,000	15% of the amount over \$ 0
\$ 39,000 - \$ 94,250	\$5,850 + 28% of the amount over \$39,000
\$ 94,250 - \$ 143,600	\$21,320 + 31% of the amount over \$94,250
\$ 143,600 - \$ 256,500	\$36,619 + 36% of the amount over \$143,600
\$ 256,500 +	\$77,263 + 39.6% of the amount over \$256,500
Marginal Income Tax Rates, Single Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 23,350	15% of the amount over \$ 0
\$ 23,350 - \$ 56,550	\$3,503 + 28% of the amount over \$23,350
\$ 56,550 - \$ 117,950	\$12,799 + 31% of the amount over \$56,550
\$ 117,950 - \$ 256,500	\$31,833 + 36% of the amount over \$117,950
\$ 256,500 +	\$81,711 + 39.6% of the amount over \$256,500
Marginal Income Tax Rates, Heads of Households	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 31,250	15% of the amount over \$ 0
\$ 31,250 - \$ 80,750	\$4,688 + 28% of the amount over \$31,250
\$ 80,750 - \$ 130,800	\$18,548 + 31% of the amount over \$80,750
\$ 130,800 - \$ 256,500	\$34,063 + 36% of the amount over \$130,800
\$ 256,500 +	\$79,315 + 39.6% of the amount over \$256,500

Table 8. Tax Rates, Personal Exemptions, and Standard Deductions, 1996

Personal Exemptions	\$2,550
Standard Deductions	
Joint	\$6,700
Single	4,000
Head of Household	5,900

Additional Standard Deductions for the Elderly and the Blind

Joint	\$800
Single/Head of Household	1,000

Marginal Income Tax Rates, Joint Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 40,100	15% of the amount over \$ 0
\$ 40,100 - \$ 96,900	\$6,015 + 28% of the amount over \$40,100
\$ 96,900 - \$ 147,700	\$21,919 + 31% of the amount over \$96,900
\$ 147,700 - \$ 263,750	\$37,667 + 36% of the amount over \$147,700
\$ 263,750 +	\$79,445 + 39.6% of the amount over \$263,750

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 24,000	15% of the amount over \$ 0
\$ 24,000 - \$ 58,150	\$3,600 + 28% of the amount over \$24,000
\$ 58,150 - \$ 121,300	\$13,162 + 31% of the amount over \$58,150
\$ 121,300 - \$ 263,750	\$32,739 + 36% of the amount over \$121,300
\$ 263,750 +	\$84,021 + 39.6% of the amount over \$263,750

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 32,150	15% of the amount over \$ 0
\$ 32,150 - \$ 83,050	\$4,823 + 28% of the amount over \$32,150
\$ 83,050 - \$ 134,500	\$19,075 + 31% of the amount over \$83,050
\$ 134,500 - \$ 263,750	\$35,025 + 36% of the amount over \$134,500
\$ 263,750 +	\$81,555 + 39.6% of the amount over \$263,750

Table 9. Tax Rates, Personal Exemptions, and Standard Deductions, 1997

Personal Exemptions	\$2,650
Standard Deductions	
Joint	\$6,900
Single	4,150
Head of Household	6,050
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$800
Single/Head of Household	1,000
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 41,200	15% of the amount over \$ 0
\$ 41,200 - \$ 99,600	\$6,180 + 28% of the amount over \$41,200
\$ 99,600 - \$ 151,750	\$22,532 + 31% of the amount over \$99,600

\$ 151,750 - \$ 271,050	\$38,699 + 36% of the amount over \$151,750
\$ 271,050 +	\$81,647 + 39.6% of the amount over \$271,050

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 24,650	15% of the amount over \$ 0
\$ 24,650 - \$ 59,750	\$3,698 + 28% of the amount over \$24,650
\$ 59,750 - \$ 124,650	\$13,526 + 31% of the amount over \$59,750
\$ 124,650 - \$ 271,050	\$33,645 + 36% of the amount over \$124,650
\$ 271,050 +	\$86,349 + 39.6% of the amount over \$271,050

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 33,050	15% of the amount over \$ 0
\$ 33,050 - \$ 83,350	\$4,958 + 28% of the amount over \$33,050
\$ 83,350 - \$ 138,200	\$19,602 + 31% of the amount over \$83,350
\$ 138,200 - \$ 271,050	\$35,986 + 36% of the amount over \$138,200
\$ 271,050 +	\$83,812 + 39.6% of the amount over \$271,050

Table 10. Tax Rates, Personal Exemptions, and Standard Deductions, 1998

Personal Exemptions	\$2,700
Standard Deductions	
Joint	\$7,100
Single	4,250
Head of Household	6,250
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$850
Single/Head of Household	1,050

Marginal Income Tax Rates, Joint Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 42,350	15% of the amount over \$ 0
\$ 42,350 - \$ 102,300	\$6,353 + 28% of the amount over \$42,350
\$ 102,300 - \$ 155,950	\$23,139 + 31% of the amount over \$102,300
\$ 155,950 - \$ 278,450	\$39,770 + 36% of the amount over \$155,950
\$ 278,450 +	\$83,870 + 39.6% of the amount over \$278,450

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 25,350	15% of the amount over \$ 0
\$ 25,350 - \$ 61,400	\$3,803 + 28% of the amount over \$25,350
\$ 61,400 - \$ 128,100	\$13,897 + 31% of the amount over \$61,400

\$ 128,100 - \$ 278,450	\$34,574 + 36% of the amount over \$128,100
\$ 278,450 +	\$88,700 + 39.6% of the amount over \$278,450

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 33,950	15% of the amount over \$ 0
\$ 33,950 - \$ 87,700	\$5,093 + 28% of the amount over \$33,950
\$ 87,700 - \$ 142,000	\$20,143 + 31% of the amount over \$87,700
\$ 142,000 - \$ 278,450	\$36,976 + 36% of the amount over \$142,000
\$ 278,450 +	\$86,098 + 39.6% of the amount over \$278,450

Table 11. Tax Rates, Personal Exemptions, and Standard Deductions, 1999

Personal Exemptions	\$2,750
Standard Deductions	
Joint	\$7,200
Single	4,300
Head of Household	6,350
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$850
Single/Head of Household	1,050

Marginal Income Tax Rates, Joint Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 43,050	15% of the amount over \$ 0
\$ 43,050 - \$ 104,050	\$6,458 + 28% of the amount over \$43,050
\$ 104,050 - \$ 158,550	\$23,538 + 31% of the amount over \$104,050
\$ 158,550 - \$ 283,150	\$40,433 + 36% of the amount over \$158,550
\$ 283,150 +	\$85,289 + 39.6% of the amount over \$283,150

Marginal Income Tax Rates, Single Returns

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 25,750	15% of the amount over \$ 0
\$ 25,750 - \$ 62,450	\$3,863 + 28% of the amount over \$25,750
\$ 62,450 - \$ 130,250	\$14,139 + 31% of the amount over \$62,450
\$ 130,250 - \$ 283,150	\$35,157 + 36% of the amount over \$130,250
\$ 283,150 +	\$90,201 + 39.6% of the amount over \$283,150

Marginal Income Tax Rates, Heads of Households

If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 34,550	15% of the amount over \$ 0
\$ 34,550 - \$ 89,150	\$5,183 + 28% of the amount over \$34,550
\$ 89,150 - \$ 144,400	\$20,471 + 31% of the amount over \$89,150

\$ 144,400 - \$ 283,150	\$37,598 + 36% of the amount over \$144,440
\$ 283,150 +	\$87,548 + 39.6% of the amount over \$283,150

Table 12. Tax Rates, Personal Exemptions, and Standard Deductions, 2000

Personal Exemptions	\$2,800
Standard Deductions	
Joint	\$7,350
Single	4,400
Head of Household	6,450
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$850
Single/Head of Household	1,100

Marginal Income Tax Rates, Joint ReturnsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 43,850	15% of the amount over \$ 0
\$ 43,850 - \$ 105,950	\$6,578 + 28% of the amount over \$43,850
\$ 105,950 - \$ 161,450	\$23,966 + 31% of the amount over \$105,950
\$ 161,450 - \$ 288,350	\$41,171 + 36% of the amount over \$161,450
\$ 288,350 +	\$86,855 + 39.6% of the amount over \$288,350

Marginal Income Tax Rates, Single ReturnsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 26,250	15% of the amount over \$ 0
\$ 26,250 - \$ 63,550	\$3,938 + 28% of the amount over \$26,250
\$ 63,550 - \$ 132,600	\$14,382 + 31% of the amount over \$63,550
\$ 132,600 - \$ 288,350	\$35,787 + 36% of the amount over \$132,600
\$ 288,350 +	\$91,857 + 39.6% of the amount over \$288,350

Marginal Income Tax Rates, Heads of HouseholdsIf *taxable income* is:Then, *tax* is:

\$ 0 - \$ 35,150	15% of the amount over \$ 0
\$ 35,150 - \$ 90,800	\$5,273 + 28% of the amount over \$35,150
\$ 90,800 - \$ 147,050	\$20,855 + 31% of the amount over \$90,800
\$ 147,050 - \$ 288,350	\$38,292 + 36% of the amount over \$147,050
\$ 288,350 +	\$89,160 + 39.6% of the amount over \$288,350

Table 13. Tax Rates, Personal Exemptions, and Standard Deductions, 2001

Personal Exemptions	\$2,900
Standard Deductions	
Joint	\$7,600
Single	4,550
Head of Household	6,650
Additional Standard Deductions for the Elderly and the Blind	
Joint	\$900
Single/Head of Household	1,100
Marginal Income Tax Rates, Joint Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 45,200	15% of the amount over \$ 0
\$ 45,200 - \$ 109,250	\$6,780 + 27.5% of the amount over \$45,200
\$ 109,250 - \$ 166,500	\$24,394 + 30.5% of the amount over \$109,250
\$ 166,500 - \$ 297,350	\$41,855 + 35.5% of the amount over \$166,500
\$ 297,350 +	\$88,307 + 39.1% of the amount over \$297,350
Marginal Income Tax Rates, Single Returns	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 27,050	15% of the amount over \$ 0
\$ 27,050 - \$ 65,550	\$4,058 + 27.5% of the amount over \$27,050
\$ 65,550 - \$ 136,750	\$14,646 + 30.5% of the amount over \$65,550
\$ 136,750 - \$ 297,350	\$36,362 + 35.5% of the amount over \$136,750
\$ 297,350 +	\$93,375 + 39.1% of the amount over \$297,350
Marginal Income Tax Rates, Heads of Households	
If <i>taxable income</i> is:	Then, <i>tax</i> is:
\$ 0 - \$ 36,250	15% of the amount over \$ 0
\$ 36,250 - \$ 93,650	\$5,438 + 27.5% of the amount over \$36,250
\$ 93,650 - \$ 151,650	\$21,223 + 30.5% of the amount over \$93,650
\$ 151,650 - \$ 297,350	\$38,913 + 35.5% of the amount over \$151,650
\$ 297,350 +	\$90,637 + 39.1% of the amount over \$297,350

Table 14. Personal Exemptions and Standard Deductions, 2002

Personal Exemptions	\$3,000
Standard Deductions:	
Joint	\$7,850
Single	\$4,700
Head of Household	\$6,900

Additional Standard Deductions for the Elderly and the Blind:

Joint	\$900
Single/Head of Household	\$1,150

Table 15. Marginal Income Tax Rates, 2002

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$12,000	10% of the amount over \$0
\$12,000	to	\$46,700	\$1,200 plus 15% of the amount over \$12,000
\$46,700	to	\$112,850	\$6,405 plus 27% of the amount over \$46,700
\$112,850	to	\$171,950	\$24,266 plus 30% of the amount over \$112,850
\$171,950	to	\$307,050	\$41,996 plus 35% of the amount over \$171,950
\$307,050	plus		\$89,281 plus 38.6% of the amount over \$307,050
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$6,000	10% of the amount over \$0
\$6,000	to	\$27,950	\$600 plus 15% of the amount over \$6,000
\$27,950	to	\$67,700	\$3,893 plus 27% of the amount over \$27,950
\$67,700	to	\$141,250	\$14,626 plus 30% of the amount over \$67,700
\$141,250	to	\$307,050	\$36,691 plus 35% of the amount over \$141,250
\$307,050	plus		\$94,721 plus 38.6% of the amount over \$307,050
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$10,000	10% of the amount over \$0
\$10,000	to	\$37,450	\$1,000 plus 15% of the amount over \$10,000
\$37,450	to	\$96,700	\$5,118 plus 27% of the amount over \$37,450
\$96,700	to	\$156,600	\$21,116 plus 30% of the amount over \$96,700
\$156,600	to	\$307,050	\$39,086 plus 35% of the amount over \$156,600
\$307,050	plus		\$91,744 plus 38.6% of the amount over \$307,050

Table 16. Marginal Income Tax Rates, 2003 Under Prior Law

(Pre-Jobs and Growth Tax Relief Reconciliation Act)

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$12,000	10% of the amount over \$0
\$12,000	to	\$47,450	\$1,200 plus 15% of the amount over \$12,000
\$47,450	to	\$114,650	\$6,518 plus 27% of the amount over \$47,450
\$114,650	to	\$174,700	\$24,662 plus 30% of the amount over \$114,650

\$174,700	to	\$311,950	\$42,677 plus 35% of the amount over \$174,700
\$311,950	plus		\$90,714 plus 38.6% of the amount over \$311,950
Standard Deduction for a joint return was \$7,950			
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$6,000	10% of the amount over \$0
\$6,000	to	\$28,400	\$600 plus 15% of the amount over \$6,000
\$28,400	to	\$68,800	\$3,960 plus 27% of the amount over \$28,400
\$68,800	to	\$143,500	\$14,868 plus 30% of the amount over \$68,800
\$143,500	to	\$311,950	\$37,278 plus 35% of the amount over \$143,500
\$311,950	plus		\$96,236 plus 38.6% of the amount over \$311,950
Standard deduction for a single return is \$4,750			
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$10,000	10% of the amount over \$0
\$10,000	to	\$38,050	\$1,000 plus 15% of the amount over \$10,000
\$38,050	to	\$98,250	\$5,208 plus 27% of the amount over \$38,050
\$98,250	to	\$159,100	\$21,462 plus 30% of the amount over \$98,250
\$159,100	to	\$311,950	\$39,717 plus 35% of the amount over \$159,100
\$311,950	plus		\$93,214 plus 38.6% of the amount over \$311,950
Standard deduction for head of household return is \$7,000			

Table 17. Personal Exemptions and Standard Deductions, Limitation on Itemized Deductions, and the Personal Exemption Phaseout, 2003

Personal Exemptions	\$3,050
Standard Deductions:	
Joint	\$9,500
Single	\$4,750
Head of Household	\$7,000
Additional Standard Deductions for the Elderly and the Blind:	
Joint	\$950
Single/Head of Household	\$1,150
Limitation on itemized deductions:	\$139,500
Phase out of personal exemptions:	
Joint	\$209,250
Head of household	\$174,400
Single	\$139,500

Table 18. Marginal Income Tax Rates, 2003

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$14,000	10% of the amount over \$0
\$14,000	to	\$56,800	\$1,400 plus 15% of the amount over \$14,000
\$56,800	to	\$114,650	\$7,820 plus 25% of the amount over \$56,800
\$114,650	to	\$174,700	\$22,283 plus 28% of the amount over \$114,650
\$174,700	to	\$311,950	\$39,097 plus 33% of the amount over \$174,700
\$311,950	plus		\$84,390 plus 35% of the amount over \$311,950
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$7,000	10% of the amount over \$0
\$7,000	to	\$28,400	\$700 plus 15% of the amount over \$7,000
\$28,400	to	\$68,800	\$3,910 plus 25% of the amount over \$28,400
\$68,800	to	\$143,500	\$14,010 plus 28% of the amount over \$68,800
\$143,500	to	\$311,950	\$34,926 plus 33% of the amount over \$143,500
\$311,950	plus		\$90,515 plus 35% of the amount over \$311,950
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$10,000	10% of the amount over \$0
\$10,000	to	\$38,050	\$1,000 plus 15% of the amount over \$10,000
\$38,050	to	\$98,250	\$5,208 plus 25% of the amount over \$38,050
\$98,250	to	\$159,100	\$20,258 plus 28% of the amount over \$98,250
\$159,100	to	\$311,950	\$37,296 plus 33% of the amount over \$159,100
\$311,950	plus		\$87,737 plus 35% of the amount over \$311,950

Table 19. Personal Exemptions and Standard Deductions, Limitation on Itemized Deductions, and the Personal Exemption Phaseout, 2004

Personal Exemptions	\$3,100
Standard Deductions:	
Joint	\$9,700
Single	\$4,850
Head of Household	\$7,150
Additional Standard Deductions for the Elderly and the Blind:	
Joint	\$950
Single/Head of Household	\$1,200
Limitation on itemized deductions:	\$142,700
Phase out of personal exemptions:	
Joint	\$214,050

Head of household	\$178,350
Single	\$142,700

Table 20. Marginal Income Tax Rates, 2004

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$14,300	10% of the amount over \$0
\$14,300	to	\$58,100	\$1,430 plus 15% of the amount over \$14,300
\$58,100	to	\$117,250	\$8,000 plus 25% of the amount over \$58,100
\$117,250	to	\$178,650	\$22,788 plus 28% of the amount over \$117,250
\$178,650	to	\$319,100	\$39,980 plus 33% of the amount over \$178,650
\$319,100	plus		\$86,328 plus 35% of the amount over \$319,100
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$7,150	10% of the amount over \$0
\$7,150	to	\$29,050	\$715 plus 15% of the amount over \$7,150
\$29,050	to	\$70,350	\$4,000 plus 25% of the amount over \$29,050
\$70,350	to	\$146,750	\$14,325 plus 28% of the amount over \$70,350
\$146,750	to	\$319,100	\$35,717 plus 33% of the amount over \$146,750
\$319,100	plus		\$92,593 plus 35% of the amount over \$319,100
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$10,200	10% of the amount over \$0
\$10,200	to	\$38,900	\$1,020 plus 15% of the amount over \$10,200
\$38,900	to	\$100,500	\$5,325 plus 25% of the amount over \$38,900
\$100,500	to	\$162,700	\$20,725 plus 28% of the amount over \$100,500
\$162,700	to	\$319,100	\$38,141 plus 33% of the amount over \$162,700
\$319,100	plus		\$89,753 plus 35% of the amount over \$319,100

Table 21. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions and the Personal Exemption Phase Out Thresholds, 2005

Personal Exemptions	\$3,200
Standard Deductions:	
Joint	\$10,000
Single	\$5,000
Head of Household	\$7,300
Additional Standard Deductions for the Elderly and the Blind:	
Joint (each spouse)	\$1,000
Single/Head of Household	\$1,250

Limitation on itemized deductions:	\$145,950
Phase out of personal exemptions:	
Joint	\$218,950
Head of household	\$182,450
Single	\$145,950

Table 22. Marginal Income Tax Rates, 2005

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$14,600	10% of the amount over \$0
\$14,600	to	\$59,400	\$1,460 plus 15% of the amount over \$14,600
\$59,400	to	\$119,950	\$8,180 plus 25% of the amount over \$59,400
\$119,950	to	\$182,800	\$23,318 plus 28% of the amount over \$119,950
\$182,800	to	\$326,450	\$40,916 plus 33% of the amount over \$182,800
\$326,450	plus		\$88,321 plus 35% of the amount over \$326,450
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$7,300	10% of the amount over \$0
\$7,300	to	\$29,700	\$730 plus 15% of the amount over \$7,300
\$29,700	to	\$71,950	\$4,090 plus 25% of the amount over \$29,700
\$71,950	to	\$150,150	\$14,653 plus 28% of the amount over \$71,950
\$150,150	to	\$326,450	\$36,549 plus 33% of the amount over \$150,150
\$326,450	plus		\$94,728 plus 35% of the amount over \$326,450
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$10,450	10% of the amount over \$0
\$10,450	to	\$39,800	\$1,045 plus 15% of the amount over \$10,450
\$39,800	to	\$102,800	\$5,448 plus 25% of the amount over \$39,800
\$102,800	to	\$166,450	\$21,198 plus 28% of the amount over \$102,800
\$166,450	to	\$326,450	\$39,020 plus 33% of the amount over \$166,450
\$326,450	plus		\$91,820 plus 35% of the amount over \$326,450

Table 23. 2005 EITC Indexed Levels

	No Children	One Child	Two or More Children
Credit Rate	7.65%	34%	40%
Maximum credit earnings	\$5,220	\$7,830	\$11,000
Maximum credit	\$399	\$2,662	\$4,400
Credit phaseout rate	7.65%	15.98%	21.06%

	No Children	One Child	Two or More Children
Phaseout Range:			
	\$6,530	\$14,370	\$14,370
	\$11,750	\$31,030	\$35,263
Phaseout Range, Married Couples:			
Start	\$8,530	\$16,370	\$16,370
End	\$13,750	\$33,030	\$37,263

Note: For more information on the earned income tax credit, see CRS Report RL31768, *The Earned Income Tax Credit (EITC): An Overview*, by Christine Scott.

Table 24. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions and the Personal Exemption Phase Out Thresholds, 2006

Personal Exemptions	\$3,300
Standard Deductions:	
Joint	\$10,300
Single	\$5,150
Head of Household	\$7,550
Additional Standard Deductions for the Elderly and the Blind:	
Joint (each spouse)	\$1,000
Single/Head of Household	\$1,250
Limitation on itemized deductions:	\$150,500
Phase out of personal exemptions:	
Joint	\$225,750
Head of household	\$188,150
Single	\$150,500

Table 25. Marginal Income Tax Rates, 2006

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$15,100	10% of the amount over \$0
\$15,100	to	\$61,300	\$1,510 plus 15% of the amount over \$15,100
\$61,300	to	\$123,700	\$8,440 plus 25% of the amount over \$61,300
\$123,700	to	\$188,450	\$24,040 plus 28% of the amount over \$123,700
\$188,450	to	\$336,550	\$42,170 plus 33% of the amount over \$188,450
\$336,550	plus		\$91,043 plus 35% of the amount over \$336,550
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$7,550	10% of the amount over \$0

\$7,550	to	\$30,650	\$755 plus 15% of the amount over \$7,550
\$30,650	to	\$74,200	\$4,220 plus 25% of the amount over \$30,650
\$74,200	to	\$154,800	\$15,108 plus 28% of the amount over \$74,200
\$154,800	to	\$336,550	\$37,676 plus 33% of the amount over \$154,800
\$336,550	plus		\$97,653 plus 35% of the amount over \$336,550

Heads of Households

If taxable income is:		Then, tax is:	
\$0	to	\$10,750	10% of the amount over \$0
\$10,750	to	\$41,050	\$1,075 plus 15% of the amount over \$10,750
\$41,050	to	\$106,000	\$5,620 plus 25% of the amount over \$41,050
\$106,000	to	\$171,650	\$21,858 plus 28% of the amount over \$106,000
\$171,650	to	\$336,550	\$40,240 plus 33% of the amount over \$171,650
\$336,550	plus		\$94,657 plus 35% of the amount over \$336,550

Table 26. 2006 EITC Indexed Levels

	No Children	One Child	Two or More Children
Credit Rate	7.65%	34%	40%
Maximum credit earnings	\$5,380	\$8,080	\$11,340
Maximum credit	\$412	\$2,747	\$4,536
Credit phaseout rate	7.65%	15.98%	21.06%
Phaseout Range:			
	\$6,740	\$14,810	\$14,810
	\$12,120	\$32,001	\$36,348
Phaseout Range, Married Couples:			
Start	\$8,740	\$16,810	\$16,810
End	\$14,120	\$34,001	\$38,348

Note: For more information on the earned income tax credit, see CRS Report RL31768, *The Earned Income Tax Credit (EITC): An Overview*, by Christine Scott.

Table 27. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions and the Personal Exemption Phase Out Thresholds, 2007

Personal Exemptions	\$3,400
Standard Deductions:	
Joint	\$10,700
Single	\$5,350
Head of Household	\$7,850
Additional Standard Deductions for the Elderly and the Blind:	
Joint (each spouse)	\$1,050

Single/Head of Household	\$1,300
Limitation on itemized deductions:	\$156,400
Phase out of personal exemptions:	
Joint	\$234,600
Head of household	\$195,500
Single	\$156,400

Note: Preliminary, based on information contained in "A Summary of 2007 Inflation Adjustments Impacting Individuals," by James C. Young, *Tax Notes Today*, September 18, 2006.

Table 28. Marginal Income Tax Rates, 2007

Joint Returns			
If taxable income is:		Then, tax is:	
\$ 0	to	\$15,650	10% of the amount over \$0
\$15,650	to	\$63,700	\$1,565 plus 15% of the amount over \$15,650
\$63,700	to	\$128,500	\$8,773 plus 25% of the amount over \$63,700
\$128,500	to	\$195,850	\$24,973 plus 28% of the amount over \$128,500
\$195,850	to	\$349,700	\$43,831 plus 33% of the amount over \$195,850
\$349,700	plus		\$94,601 plus 35% of the amount over \$349,700
Single Returns			
If taxable income is:		Then, tax is:	
\$0	to	\$7,825	10% of the amount over \$0
\$7,825	to	\$31,850	\$783 plus 15% of the amount over \$7,825
\$31,850	to	\$77,100	\$4,386 plus 25% of the amount over \$31,850
\$77,100	to	\$160,850	\$15,699 plus 28% of the amount over \$77,100
\$160,850	to	\$349,700	\$39,149 plus 33% of the amount over \$160,850
\$349,700	plus		\$101,469 plus 35% of the amount over \$349,700
Heads of Households			
If taxable income is:		Then, tax is:	
\$0	to	\$11,200	10% of the amount over \$0
\$11,200	to	\$42,650	\$1,120 plus 15% of the amount over \$11,200
\$42,650	to	\$110,100	\$5,838 plus 25% of the amount over \$42,650
\$110,100	to	\$178,350	\$22,700 plus 28% of the amount over \$110,100
\$178,350	to	\$349,700	\$41,810 plus 33% of the amount over \$178,350
\$349,700	plus		\$98,356 plus 35% of the amount over \$349,700

Note: Preliminary, based on information contained in "A Summary of 2007 Inflation Adjustments Impacting Individuals," by James C. Young, *Tax Notes Today*, September 18, 2006.

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