

**Table 23. U.S. Individual Income Tax: Personal Exemptions and Lowest and Highest Bracket Tax Rates, and Tax Base for Regular Tax, Tax Years 1913–2015**

[Amounts are in dollars]

Tax year	Tax rates for regular tax			
	Lowest bracket		Highest bracket	
	Tax rate [2] (percent)	Taxable income under [3]	Tax rate [2] (percent)	Taxable income over [3]
	(4)	(5)	(6)	(7)
1913	1.0	20,000	7.0	500,000
1914	1.0	20,000	7.0	500,000
1915	1.0	20,000	7.0	500,000
1916	2.0	20,000	15.0	2,000,000
1917	2.0	2,000	67.0	2,000,000
1918	6.0	4,000	77.0	1,000,000
1919	4.0	4,000	73.0	1,000,000
1920	4.0	4,000	73.0	1,000,000
1921	4.0	4,000	73.0	1,000,000
1922	4.0	4,000	58.0	200,000
1923	[5] 3.0	4,000	[5] 43.5	200,000
1924	[6] 1.5	4,000	46.0	500,000
1925	[7] 1.125	4,000	25.0	100,000
1926	[7] 1.125	4,000	25.0	100,000
1927	[7] 1.125	4,000	25.0	100,000
1928	[8] 1.125	4,000	25.0	100,000
1929	[8] 0.375	4,000	24.0	100,000
1930	[8] 1.125	4,000	25.0	100,000
1931	[8] 1.125	4,000	25.0	100,000
1932	4.0	4,000	63.0	1,000,000
1933	4.0	4,000	63.0	1,000,000

1934	[9] 4.0	4,000	63.0	1,000,000
1935	[9] 4.0	4,000	63.0	1,000,000
1936	[9] 4.0	4,000	79.0	5,000,000
1937	[9] 4.0	4,000	79.0	5,000,000
1938	[9] 4.0	4,000	79.0	5,000,000
1939	[9] 4.0	4,000	79.0	5,000,000
1940	[9,10] 4.4	4,000	[10] 81.1	5,000,000
1941	[9] 10.0	2,000	81.0	5,000,000
1942	[9] 19.0	2,000	88.0	200,000
1943	[9] 19.0	2,000	88.0	200,000
1944	23.0	2,000	[12] 94.0	200,000
1945	23.0	2,000	[12] 94.0	200,000
1946	[13] 19.0	2,000	[13] 86.45	200,000
1947	[13] 19.0	2,000	[13] 86.45	200,000
1948	[15] 16.6	4,000	[15] 82.13	400,000
1949	[15] 16.6	4,000	[15] 82.13	400,000
1950	[16] 17.4	4,000	[16] 84.36	400,000
1951	20.4	4,000	[17] 91.0	400,000
1952	22.2	4,000	[18] 92.0	400,000
1953	22.2	4,000	[18] 92.0	400,000
1954	20.0	4,000	[19] 91.0	400,000
1955	20.0	4,000	[19] 91.0	400,000
1956	20.0	4,000	[19] 91.0	400,000
1957	20.0	4,000	[19] 91.0	400,000
1958	20.0	4,000	[19] 91.0	400,000
1959	20.0	4,000	[19] 91.0	400,000
1960	20.0	4,000	[19] 91.0	400,000
1961	20.0	4,000	[19] 91.0	400,000
1962	20.0	4,000	[19] 91.0	400,000
1963	20.0	4,000	[19] 91.0	400,000
1964	16.0	1,000	77.0	400,000

1965	14.0	1,000	70.0	200,000
1966	14.0	1,000	70.0	200,000
1967	14.0	1,000	70.0	200,000
1968	14.0	1,000	[20] 75.25	200,000
1969	14.0	1,000	[21] 77.0	200,000
1970	14.0	1,000	[22] 71.75	200,000
1971	14.0	1,000	[23] 70.0	200,000
1972	14.0	1,000	[24] 70.0	200,000
1973	14.0	1,000	[24] 70.0	200,000
1974	[25] 14.0	1,000	[24, 25] 70.0	200,000
1975	14.0	1,000	[24] 70.0	200,000
1976	14.0	1,000	[24] 70.0	200,000
1977	[28] 14.0	[28] 3,200	[24] 70.0	203,200
1978	[28] 14.0	[28] 3,200	[24] 70.0	203,200
1979	[28] 14.0	[28] 3,400	[24] 70.0	215,400
1980	[28] 14.0	[28] 3,400	[24] 70.0	215,400
1981	[28,29] 14.0	[28] 3,400	[24,29] 69.125	215,400
1982	[28] 12.0	[28] 3,400	50.0	85,600
1983	[28] 11.0	[28] 3,400	50.0	109,400
1984	[28] 11.0	[28] 3,400	50.0	162,400
1985	[28] 11.0	[28, 31] 3,540	50.0	[31] 169,020
1986	[28] 11.0	[28,31] 3,670	50.0	[31] 175,250
1987	11.0	[31] 3,000	38.5	[31] 90,000
1988	[34] 15.0	[31,35] 29,750	[34,35] 28.0	[31,35] 29,750
1989	[34,35] 15.0	[31,35] 30,950	[34,35] 28.0	[31,35] 30,950
1990	[34,35] 15.0	[31,35] 32,450	[34,35] 28.0	[31,35] 32,450
1991	15.0	[31] 34,000	31.0	[31] 82,150
1992	15.0	[31] 35,800	31.0	[31] 86,500
1993	15.0	[31] 36,900	39.6	[31] 250,000
1994	15.0	[31] 38,000	39.6	[31] 250,000
1995	15.0	[31] 39,000	39.6	[31] 256,500

1996	15.0	[31] 40,100	39.6	[31] 263,750
1997	15.0	[31] 41,200	39.6	[31] 271,050
1998	15.0	[31] 42,350	39.6	[31] 278,450
1999	15.0	[31] 43,050	39.6	[31] 283,150
2000	[36] 15.0	[31] 43,850	[36] 39.6	[31] 288,350
2001	[37] 10.0	[31,38] 6,000	[37] 39.1	[31,38] 297,350
2002	10.0	[31] 12,000	38.6	[31] 307,050
2003	10.0	[31] 14,000	35.0	[31 ] 311,950
2004	10.0	[31] 14,300	35.0	[31] 319,100
2005	10.0	[31] 14,600	35.0	[31] 326,450
2006	10.0	[31] 15,100	35.0	[31] 336,550
2007	10.0	[31] 15,650	35.0	[31] 349,700
2008	10.0	[31] 16,050	35.0	[31] 357,700
2009	10.0	[31] 16,700	35.0	[31] 372,950
2010	10.0	[31] 16,750	35.0	[31] 373,650
2011	10.0	[31] 17,000	35.0	[31] 379,150
2012	10.0	[31] 17,400	35.0	[31] 388,350
2013	10.0	[31] 17,850	[42] 39.6	[31] 450,000
2014	10.0	[31] 18,150	[42] 39.6	[31] 457,600
2015	10.0	[31] 18,450	[42] 39.6	[31] 464,850

N/A—Not applicable.

- [1] Personal exemption amounts were deducted at different points in the tax computation, depending on the tax year. For some of the earlier years, they were deducted only from the statutory "net income" subject to the basic "normal tax," for other years, only from the "net income" subject to the "surtax," and, for still other years, from the "net income" subject to both normal tax and surtax. (Footnote 2, below, includes a description of "normal tax" and "surtax.") For more recent years, personal exemptions have been deducted in computing "taxable income," the current tax base for "regular" tax purposes.
- [2] Tax rates shown in this Table 23 for the "regular" income tax, i.e., for "normal tax" and "surtax," applicable to U.S. citizens and residents. Therefore, the rates exclude provisions unique to nonresident aliens. Tax rates exclude the effect of tax credits (which reduce the tax liability), except as noted, and several specific add-on or other taxes applicable to all or some tax years. Excluded are the "war excess profits tax" (1917), "victory tax" (1942-1943), Social Security "self-employment tax" (starting with 1951), tax under the "income averaging" provisions (1964-1986) and under the farm income averaging provisions (starting with 1998), and the "recapture taxes" resulting from having to recompute and pay back certain tax credits in later years (starting with 1963), the "maximum tax" on "earned income" or on "personal service income" (1971-1981), the "minimum tax" on "tax preferences" (1970-1983), and the "alternative minimum tax" on "tax preferences" (starting with 1979). Also excluded are such other taxes as the tax on recipients of accumulation distributions of trusts (starting with 1954) and the "special averaging tax" or "multiple recipient special averaging tax" on recipients of lump-sum distributions from qualified retirement plans (starting with 1974). In addition, Table 23 excludes the taxes associated with the preferential treatment of capital gains, starting with 1922 (although certain gains received preferential treatment as early as 1918). At various times, these treatments have taken the form of special tax rates; special definitions; different asset holding periods; ceilings on taxes; and exclusions from income. Included among these special treatments were "alternative tax" (1938-1986) and its variations for the earlier years, although all of these taxes were in some way tied to the a structure for regular tax. Until 1948, a single set of tax rates applied to all taxpayers, regardless of marital or filing status, and married couples filing joint returns were taxed on the combined income of each spouse. However, a second, lower set of rates was introduced, starting with 1948, for married couples filing jointly. (To simplify the Table 23 presentation for these more recent years, only the lowest and highest tax rates for married persons filing jointly are shown.) Under this change, the combined tax of husband and wife became twice the combined tax that would have applied if their combined "taxable income" ("net income" for

years before 1954) were cut in half. Thus, taxpayers using the joint return filing status "split" their incomes for tax purposes, in effect doubling the width of their taxable income (or net income) size "brackets." The lowest and highest tax rate brackets shown in columns 4 and 6 in Table 23 are, therefore, the brackets for married couples filing jointly that result from taking into account this doubling of the bracket widths. Starting with 1952, a third set of rates was introduced (not shown) for "heads of household," i.e., for unmarried individuals who paid over half the cost of maintaining a home for a qualifying person (e.g., a child or parent), or for certain married individuals who had lived apart from their spouses for the last 6 months of the tax year. This filing status was liberalized, starting with 1970, and provides approximately half the advantage of the income-splitting described above. Starting with 1954, the full benefits of income-splitting allowed married couples filing jointly (i.e., the same tax rates and taxable income brackets) were extended to a new, fourth filing status, "surviving spouse" (i.e., individuals widowed for 1 to 2 years following the death of a spouse, provided they had a dependent child and had not remarried). The remaining filing status was for "single persons," who used the rates formerly applicable to taxpayers in general. However, these latter rates were moderated, starting with 1969, by limiting the tax so that it would not exceed 20 percent more than the tax on married couples filing jointly. One result of the 1969 law change was that certain married couples filing jointly had to pay more tax than they would have paid if each spouse had filed separately. To help mitigate this effect, a special deduction in computing adjusted gross income was allowed for 1982-1986 for two-earner couples filing jointly. This deduction was initially 5 percent of the lesser of \$30,000 or the "earned income" of the spouse with the lesser earnings. The percentage was increased to 10 percent, starting with 1983. The deduction provision was repealed, starting with 1987, when new, lower rates and a reduced number of tax brackets began. For tax years preceding 1954, the lowest tax rate, as shown in Table 23, was either the rate for the basic "normal tax" (if there was just one rate for normal tax) or the lowest of the several rates for "normal tax" (if there was more than one rate for normal tax). The highest tax rate was the sum of the uppermost of the graduated rates (if any) for normal tax, plus the uppermost of the additional, graduated "surtax" rates, provided that both rates were applied to the same income. For example, for 1932, there were two graduated rates for normal tax, 4 percent (on the first \$4,000 of income) and 8 percent (on all income over \$4,000), and graduated rates for "surtax" that ranged from 1 percent to 55 percent. In Table 23, the lowest rate for 1932 is, therefore, shown as 4 percent (the lower of the two normal tax rates) and the highest rate as 63 percent (the sum of the 8-percent higher, graduated rate for normal tax on income over \$4,000, plus 55 percent, the highest of the graduated, surtax rates, on income over \$1 million.). As another example, for 1941, there was just one rate for normal tax, 4 percent, but it applied to all income. The lowest of the surtax rates, 6 percent, was applied to all income under \$2,000, so that income under \$2,000 was taxed at both the 4-percent normal tax rate and the 6-percent surtax rate. Therefore, the lowest rate shown in Table 23 for 1941 is 10 percent, the sum of these two tax rates. The highest rate is the sum of the 4-percent normal tax on total statutory "net income," plus the highest graduated surtax rate, 77 percent on income over \$5 million, so that income over \$5 million was taxed at 81.0 percent, the sum of the two rates. For tax years starting with 1954, normal tax and surtax rates were, in effect, combined into a single rate structure.

- [3] The definition of the income base (and, thus, the tax "bracket" boundaries) to which the tax rates were applied differs over the years, depending on how the following were determined and figured: statutory adjustments to or exclusions from income; personal exemptions; itemized deduction expenditures, which were sometimes described as income "credits"; standard deductions; the various thresholds and ceilings; and statutory "taxable income" (and its predecessor "net income"). Therefore, the lowest and highest taxable income amounts, as shown in Table 23, are not comparable for all years, and the amounts described as for statutory taxable income for tax years preceding 1954 are actually for statutory net income. (Statutory net income was income after subtracting deductions but, for most years, was before subtracting personal exemptions. Statutory taxable income was after subtracting both deductions and personal exemptions. Taxable income is the tax base for recent years. Net income required certain adjustments to arrive at the tax base, depending on whether the income was subject to normal tax, surtax, or both). See also footnote 2, above.
- [4] For 1921-1923, the personal exemption amount for married couples (column 2) increased to \$2,000 if statutory "net income" exceeded \$5,000.
- [5] For 1923, the tax rates shown (columns 4 and 6) are after a 25-percent statutory credit or refund.
- [6] For 1924, the lowest tax rate (column 4) is after reduction by an "earned income credit," equal to 25 percent of the "normal tax" on the first \$5,000 of total statutory "net income" and the normal tax on the first \$10,000 of "earned net income," but limited to 25 percent of the normal tax on total net income.
- [7] For 1925-1927, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first \$5,000 of total statutory "net income" and the total tax on the first \$20,000 of "earned net income," but limited to 25 percent of the total tax on earned net income (not to exceed 25 percent of the sum of "normal tax" on total net income plus the "surtax" on earned net income.)
- [8] For 1928-1931, the lowest tax rate (column 4) is after reduction by an "earned income credit" equal to 25 percent of the total tax on the first \$5,000 of total statutory "net income" and the total tax on the first \$30,000 of "earned net income," but subject to the same limitations described in footnote 7, above. For 1929 only there was a special reduction in normal tax rates as provided for in a joint resolution of Congress.
- [9] For 1934-1943, the tax rate (column 4) excludes the effect of an "earned income credit," allowed as a deduction equal to 10 percent of the first \$14,000 of "earned net income" (before credit) and the first \$3,000 of total statutory "net income" (before credit), but limited to 10 percent of earned net income (not to exceed 10 percent of total net income).
- [10] For 1940, tax rates (columns 4 and 6) include "defense tax," computed as 10 percent of the total "regular" tax, but limited to 10 percent of statutory "net income" in excess of the total regular tax.
- [11] For 1944-1945, the personal exemption amounts (columns 1-3) were for "surtax" purposes only. The exemption for basic "normal tax" purposes was \$500 per tax return, augmented by the "earned income" of the spouse, up to \$500, on joint returns.
- [12] For 1944-1945, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 90 percent of statutory "net income."
- [13] For 1946-1947, tax rates (columns 4 and 6) are the effective rates after a statutory 5-percent reduction of combined "tentative normal tax and surtax." The highest rate (column 6) was subject to a maximum effective rate limitation equal to 85.5 percent of statutory "net income."
- [14] For 1948-1986, in addition to the personal exemptions (columns 1-2), there were additional personal exemptions for blind taxpayer(s) and for taxpayers(s) age 65 or over.
- [15] For 1948-1949, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 17.0 percent of the first \$400 of combined "tentative normal tax and surtax" to 9.75 percent of combined tentative normal tax and surtax over \$100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 77.0 percent of statutory "net income."
- [16] For 1950, tax rates (columns 4 and 6) are the effective rates after statutory reductions ranging from 13.0 percent of the first \$400 of combined "tentative normal tax and surtax" to 7.3 percent of combined tentative normal tax and surtax over \$100,000. The highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent

of statutory "net income."

- [17] For 1951, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.2 percent of statutory "net income."
- [18] For 1952-1953, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 88.0 percent of statutory "net income."
- [19] For 1954-1963, the highest tax rate (column 6) was subject to a maximum effective rate limitation equal to 87.0 percent of statutory "taxable income."
- [20] For 1968, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 7.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [21] For 1969, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 10 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [22] For 1970, the highest tax rate (column 6) includes a Vietnam War surcharge equal to 2.5 percent of tax (as defined for this purpose). However, this surcharge did not apply to "regular" tax generated at the lowest rate.
- [23] For 1971, "earned net income" was subject to a "maximum tax" of 60 percent (not shown in column 6).
- [24] For 1972-1981, "earned net income" (broadened to become "personal service net income" after 1976) was subject to a "maximum tax" of 50 percent (not shown in column 6).
- [25] For 1974, tax rates (columns 4 and 6) do not take into account a statutory rebate of 10 percent of total income tax after credits. In general, the minimum rebate was \$100 and the maximum, \$200, but could not exceed the tax liability.
- [26] For 1975, a \$30-per-capita tax credit was allowed in addition to the personal exemptions shown in columns 1-3.
- [27] For 1976-1978, a tax credit was allowed, in addition to the personal exemptions shown in columns 1-3, that was equal to the larger of \$35 per capita or 2 percent of the first \$9,000 of statutory "taxable income."
- [28] For 1977-1986, in order to help preserve the conceptual comparability of the amounts shown with those for earlier and later years, the lowest tax rates in column 4 and the lowest "taxable income" amounts in column 5 exclude the so-called "zero tax rate" and the "zero bracket amount," which were unique to the tax computation for these 10 years.
- [29] For 1981, tax rates (columns 4 and 6) are after a 1.25-percent statutory tax credit.
- [30] Starting with 1985, the personal exemption amounts (columns 1-3) reflect annual adjustments for inflation, using the U.S. Department of Labor Consumer Price Index for Urban Consumers ("CPS-U").
- [31] Starting with 1985, tax "bracket" boundaries (columns 5 and 7) were indexed for inflation, using the U.S. Department of Labor Consumer Price Index (as described in footnote 30).
- [32] Starting with 1988, the amount eligible to be deducted for personal exemptions (columns 1-3) was phased out for certain high-income taxpayers. For 1988-1990, this was accomplished as part of the tax computation (see footnote 34, below).
- [33] For 1988-1990, excludes the effect on certain high-income taxpayers of the phaseout of the amount deductible for personal exemptions (columns 1-3).
- [34] For 1988-1990, the tax rates (columns 4 and 6) exclude the effects on certain high-income taxpayers of the phaseout both of the benefit of the 15-percent tax rate (compared to the 28-percent rate) and the amount deductible for personal exemptions. This phaseout was accomplished by imposing an additional, 5-percent tax on income above certain levels, based on filing status, thus creating a "temporary" 33-percent tax rate. At the point where the taxpayer had completely phased out the two benefits by use of the 33-percent rate, the tax rate on any remaining taxable income above the phaseout range returned to 28 percent (see also footnote 35). As Table 23 shows, beginning with 1991, this phaseout was replaced by including an additional, 31-percent, graduated rate for taxable incomes above certain levels. Two other, higher, graduated rates were subsequently added, starting with 1993, the higher of which is shown in Table 23.
- [35] For 1988-1990, the 15-percent tax rate (column 4), which applied to the first \$29,750 of statutory "taxable income" (column 5), gradually increased to the top "brackets" rate, 28 percent (column 6), when taxable income (included in column 7) reached between \$71,900 and \$149,250. This was the range at which the 15-percent rate was phased out for certain high-income taxpayers, all of whose incomes were then effectively taxed at the higher 28-percent rate through use of the "temporary" 33-percent rate (see footnote 34, above, for additional information). The boundaries of the phaseout range were adjusted for inflation for 1989-1990, although the top tax rate on the taxable income above that covered by the phaseout range remained 28 percent. Therefore, the top taxable income and top tax bracket rate shown in Table 23 for 1988-1990 do not take into account the higher, 33-percent, "temporary" phaseout rate.
- [36] For 2000, the tax rates (columns 4 and 6) do not reflect a special statutory refund, partially offset for 2001, of between \$300 and \$600, depending on the size of income tax for 2000 and filing status. See also footnote 37, below.
- [37] For 2001, the tax rate (columns 4 and 6) does not reflect a 5-percent tax credit of up to \$300, \$500, or \$1,000, depending on the filing status. This credit effectively reduced the lowest rate on the income shown in column 5 from 15 percent to 10 percent, in lieu of an explicit 10-percent rate. However, the credit was reduced by the amount of the special statutory refund made in 2001 (based on tax for 2000), described in footnote 36, above. The 10-percent rate was only for dependents.
- [38] For the change in the lowest tax "bracket" boundary (columns 5 and 7) for 2001, see footnotes 36 and 37, above.
- [39] For 2006, the phaseout of the personal exemption was reduced by one-third (to a minimum of \$1,100 per exemption).
- [40] For 2008, the phaseout of the personal exemption was reduced by two-thirds (to a minimum of \$2,333 per exemption).
- [41] Starting with 2010, the phaseout of the personal exemption was eliminated.
- [42] Starting with 2013, the tax rates do not reflect an additional 3.8 percent tax on net investment income for taxpayers with "modified" adjusted gross income above \$250,000.

SOURCE: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, Volume I, Budget Processes and Tax Systems, 1995, September 1996 (based, in part, on *Tax Foundation, Facts and Figures on Government Finance*, 1988-89 edition, 1988); Pechman, Joseph A., *Federal Tax Policy*, fifth edition, The Brookings Institution, 1987 (based on relevant public laws and reports prepared by the Congressional Joint Economic Committee, including *The Federal Revenue System: Facts and Problems*, 1961, and *The Federal Tax System: Facts and Problems*, 1964); *Statistics of Income—Part I* (in particular, the historical synopses of laws included as appendices in the reports for 1949-1953) and *Statistics of Income—Individual Income Tax Returns* (annually, for 1954-1988); and relevant public laws and reports issued by the Congressional Joint Committee on Taxation for subsequent years, as well as reports, such as *Overview of the Federal Tax System for 1990, 1991, and 1994*, Committee on Ways and Means, U.S. House of Representatives, and reports issued by the Congressional Joint Committee on Taxation for subsequent years, including *Overview of Present Law and Economic*

