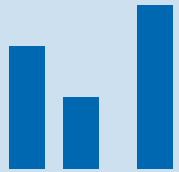
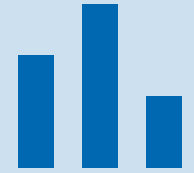
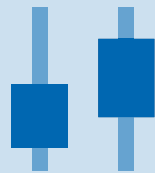
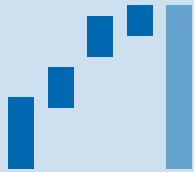


INDIVIDUAL TAXES

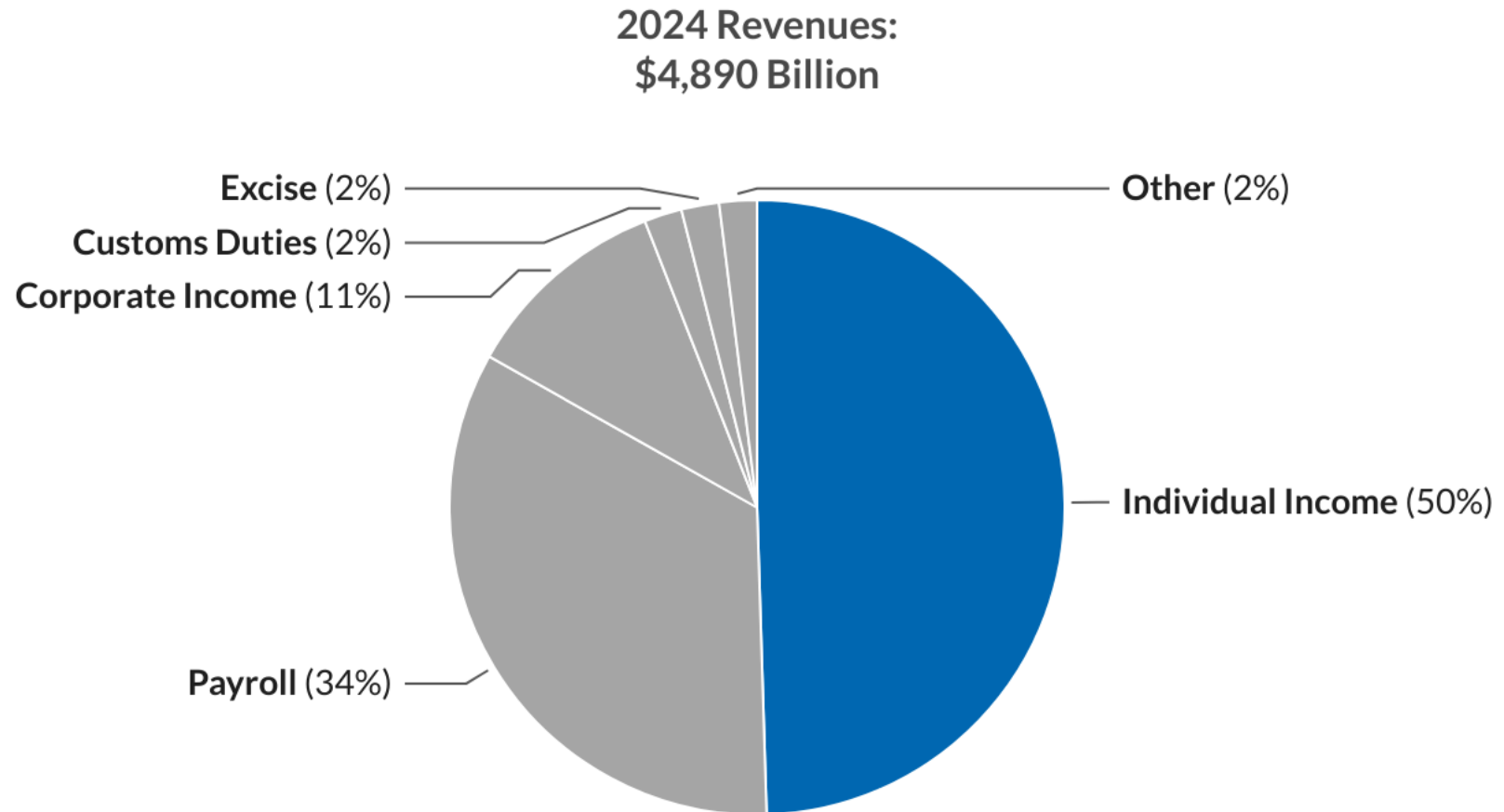
Chart Pack



SEPTEMBER 2024



Half of the federal government's revenues come from individual income taxes



Source: Congressional Budget Office

Notes: Other includes estate and gift taxes, income from the Federal Reserve, and miscellaneous fees and fines. Total may not add up to 100% due to rounding.

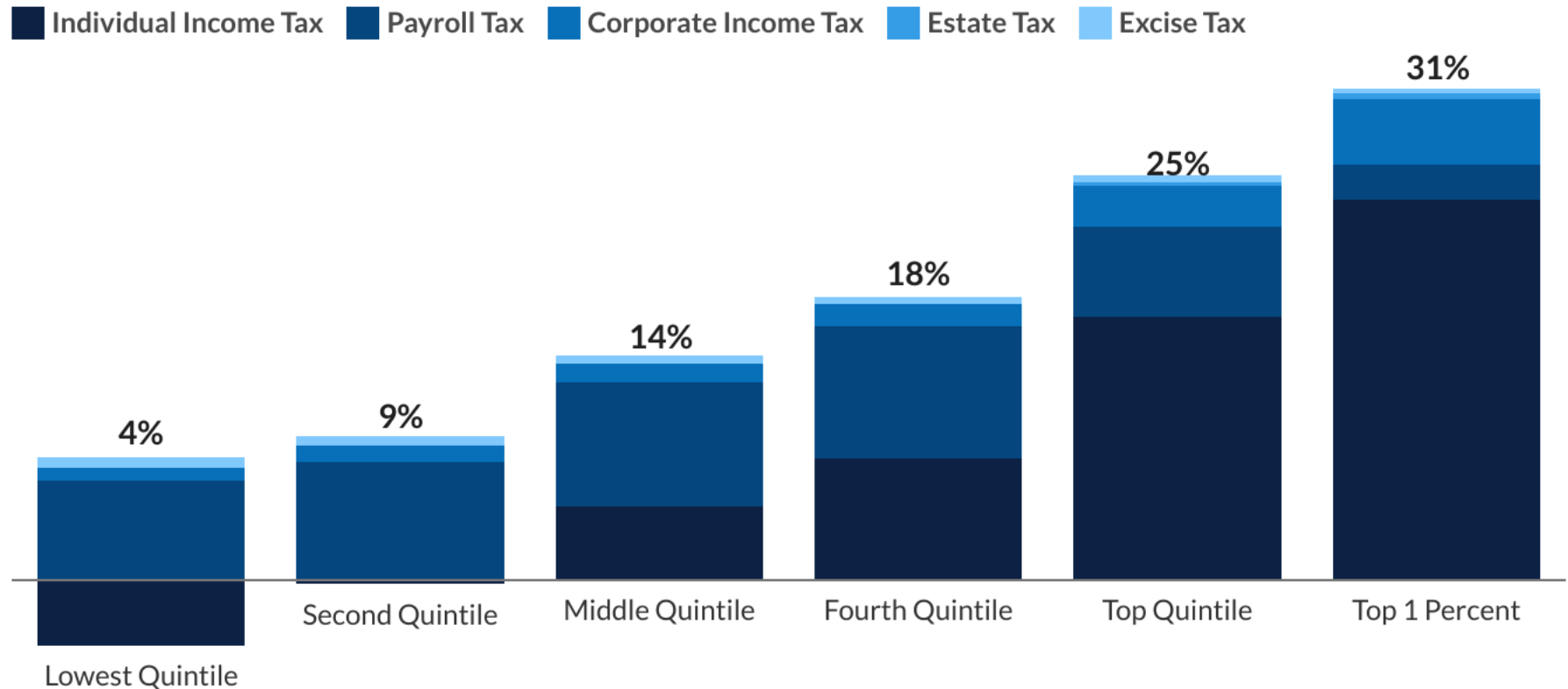
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All income groups pay taxes, but overall the U.S. federal tax system is progressive

Effective Federal Tax Rate (% of Expanded Cash Income in 2022)



Source: Tax Policy Center

Notes: Individual income tax rates for the lowest and second quintiles are negative and are netted against the payroll tax rate. A quintile is one-fifth of the population. The breaks are (in 2022 dollars): 20% \$30,000; 40% \$58,500; 60% \$103,800; 80% \$189,200; 90% \$276,100; 95% \$398,100; 99% \$982,600; 99.9% \$4,439,400.

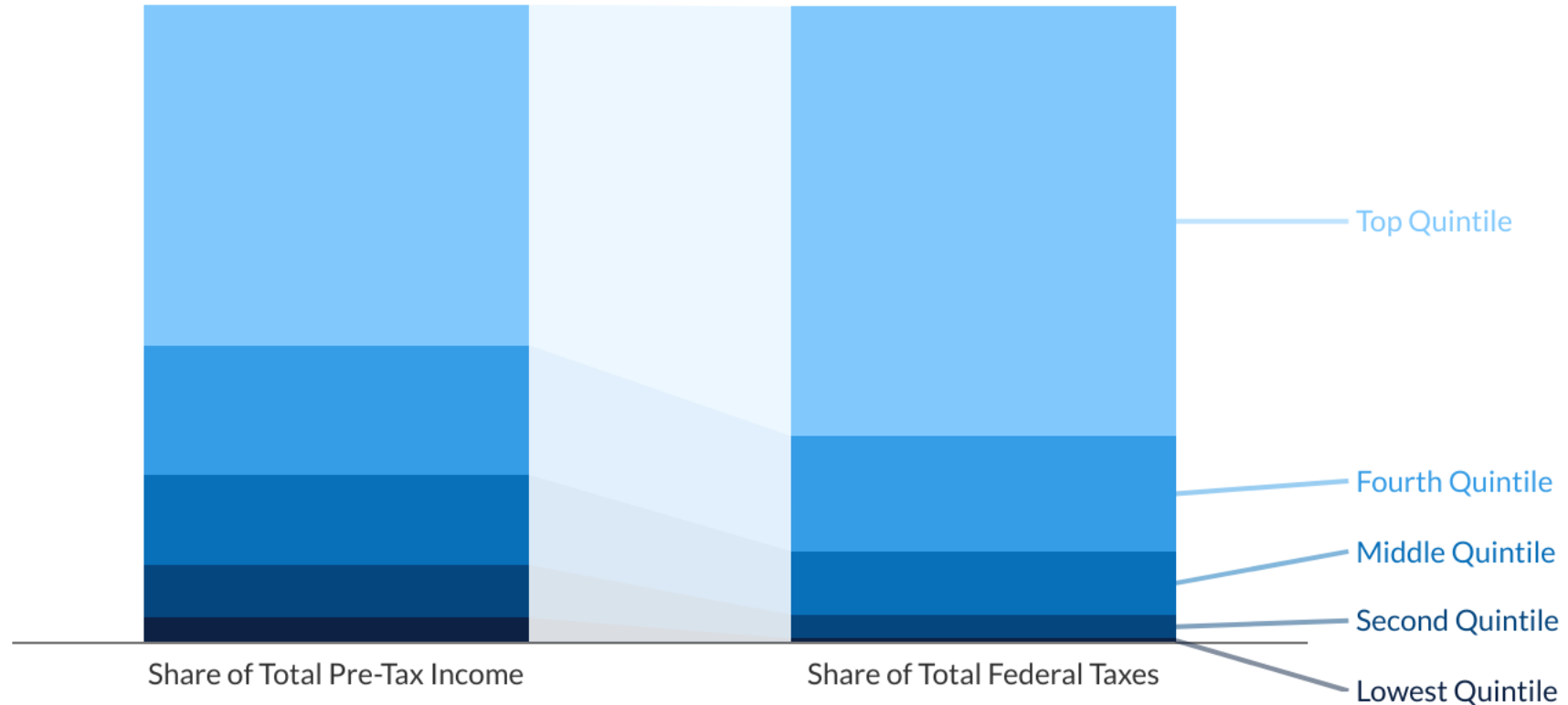
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The top quintile of taxpayers earn a disproportionate share of pre-tax income and pay an even larger share of total federal taxes

Share by Income Quintile (%)



Source: The Tax Policy Center

Notes: Federal taxes include the excise tax, estate tax, corporate income tax, payroll tax, and individual income tax. Quintiles and pre-tax income are measured by expanded cash income. Each quintile contains one-fifth of the population. Lowest Quintile: Less than \$30,000. Second Quintile: \$30,001–\$58,500. Middle Quintile: \$58,501–\$103,800. Fourth Quintile: \$103,801–\$189,200. Top Quintile: More than \$189,200. Data are for 2022.

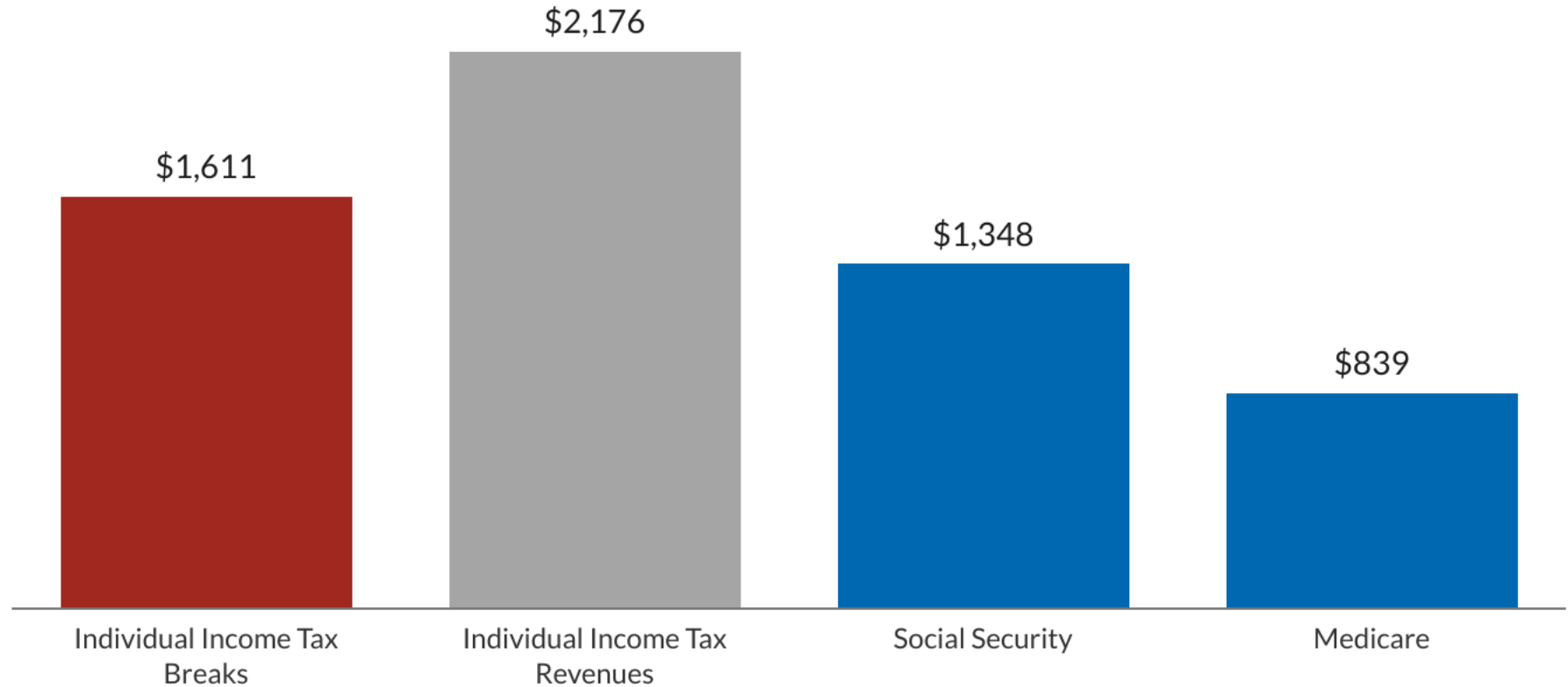
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Individual income tax breaks cost more than any other government spending program

Budgetary Cost in 2023 (Billions of \$)



Sources: Joint Committee on Taxation and Congressional Budget Office

Note: Tax expenditures are deductions, credits, exclusions, and preferential rates. The estimates for tax expenditures reflect the total in the individual and corporate income tax systems; they do not account for any interactive effects of combining various provisions. Medicare spending is net of premiums and payments from the states.

Eight popular tax provisions account for about 80 percent of individual income tax expenditures

Budgetary Cost in 2023
(Billions of \$)

Largest Individual Income Tax Expenditures

Exclusion of pension contributions and earnings and individual retirement arrangements*	369
Exclusions of and reductions on dividends and long-term capital gains**	311
Exclusion of employer contributions for medical insurance and care	202
Child Tax Credit (CTC)	122
Subsidies for insurance purchased through health benefit exchanges	80
Earned Income Tax Credit (EITC)	71
Step-up basis of capital gains at death	58
20-Percent deduction for certain Pass-through income	56
Total	1,269

Source: Joint Committee on Taxation

Notes: *Estimate includes defined benefit plans and defined contribution plans. **Estimate includes qualified dividends, home sales, and exclusion of small corporate stock. Entries do not sum due to rounding.

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