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Federal Individual Income Tax Brackets, Standard Deduction, and Personal Exemption: 1988 to 2021

Updated February 16, 2021

Congressional Research Service
https://crsreports.congress.gov
RL34498

CRS REPORT
Prepared for Members and
Committees of Congress

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SUMMARY

RL34498

February 16, 2021

Gary Guenther
Analyst in Public Finance

Federal Individual Income Tax Brackets, Standard Deduction, and Personal Exemption: 1988 to 2021

This report tracks changes in federal individual income tax brackets, the standard deduction, and the personal exemption since 1988. All three have been indexed for inflation since 1981. The report also explains how certain tax provisions are adjusted for inflation. The table below shows the levels in 2020 for all income tax brackets, the personal exemption, and the standard deduction.

Current statutory tax rates have evolved from the Tax Reform Act of 1986 (TRA86; P.L. 99-514) and several tax laws enacted since then. Of particular importance are the Omnibus Budget Reconciliation Act of 1990 (OBRA90; P.L. 101-508), the Omnibus Budget Reconciliation Act of 1993 (OBRA93; P.L. 103-66), the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA; P.L. 107-16), the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (TRUC; P.L. 111-312), the American Taxpayer Relief Act of 2012 (ATRA, P.L. 112-240), and the tax rate changes in the 2017 tax revision (P.L. 115-97).

As shown in the table, there are seven statutory marginal individual income tax rates from 2018 to 2025: 10%, 12%, 22%, 24%, 32%, 35%, and 37%. Starting in 2026, these rates are scheduled to revert to their 2017 levels. Each rate applies to a different range of income, and the combination is known as a tax bracket. A taxpayer's tax liability is the sum total of the tax that results from the portion of her or his taxable income that falls in each applicable tax bracket. This means that someone's average tax rate (i.e., total tax owed divided by total income) is less than her or his marginal tax rate (i.e., the tax on an additional dollar of income), with the exception of taxpayers subject to the lowest marginal tax of 10%. For example, assume an income tax with no deductions, exemptions, exclusions, and credits. If Mary has a taxable income of $20,000 and half of that amount is taxed at 10% and half at 15%, then her tax liability is equal to ($10,000 x 0.10) + ($10,000 x 0.15), or $2,500. Mary's average tax rate is 12.5%, while her marginal rate is 15%.

More than 50 tax elements are indexed for inflation. These include the tax brackets, personal exemption, and standard deduction addressed in this report. Indexation helps prevent bracket creep, which happens when someone's tax liability increases because of rises in his or her nominal income while real income remains unchanged. Until 2018, indexation of these items was based on the Consumer Price Index for All Urban Consumers (CPI-U). Congress permanently changed the inflation adjustment mechanism to the Chained Consumer Price Index for All Urban Consumers (C-CPI-U), starting in 2018. Some experts believe that the latter index provides a more accurate measure of inflation among consumer goods and services than the CPI-U.

Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2020

Personal Exemption and Phaseout:	$0 (suspended through the end of 2025)
Standard Deduction:	
Joint	$24,800
Single	$12,400
Head of Household	$18,650
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,300
Single/Head of Household	$1,650

Limitation on Itemized Deductions:	Suspended through the end of 2025
Statutory Marginal Income Tax Rates, 2020	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $19,750	10% of the amount over $0
over $19,750 to $80,250	$1,975 + 12% of the amount over $19,750
over $80,250 To $171,050	$9,235 + 22% of the amount over $80,250
over $171,050 to $326,600	$29,211 + 24% of the amount over $171,050
over $326,600 to $414,700	$66,543 + 32% of the amount over $326,600
over $414,700 to $622,050	$94,735 + 35% of the amount over $414,700
over $622,050	$167,307.50 + 37% of the amount over $622,050
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,875	10% of the amount over $0
over $9,875 to $40,125	$987.50 + 12% of the amount over $9,875
over $40,125 to $85,525	$4,617.50 + 22% of the amount over $40,125
over $85,525 to $163,300	$14,605.50 + 24% of the amount over $85,525
over $163,300 to $207,350	$33,271.50 + 32% of the amount over $163,300
over $207,350 to $518,400	$47,367.50 + 35% of the amount over $207,350
over $518,400	$156,235 + 37% of the amount over $518,400
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $14,100	10% of the amount over $0
over $14,100 to $53,700	$1,410 + 12% of the amount over $14,100
over $53,700 to $85,500	$6,612 + 22% of the amount over $53,700
over $85,500 to $163,300	$13,15 8 + 24% of the amount over $85,500
over $163,300 to $207,350	$31,830 + 32% of the amount over $163,300
over $207,350 to $518,400	$45,926 + 35% of the amount over $207,350
over $518,400	$154,793.50 + 37% of the amount over $518,400

Source: IRS Revenue Procedure 2019-44.

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Introduction

U.S. citizens and residents are subject to a federal income tax on their worldwide income.[1] Their taxable income is equal to gross income from numerous sources (including pass-through business profits, long-term capital gains, and dividends) less certain exclusions, exemptions, and deductions. A taxpayer's adjusted gross income (AGI) is determined by subtracting certain "above-the-line" deductions from gross income.[2] Taxable income is determined by reducing a taxpayer's AGI by the standard deduction or the sum of that person's itemized deductions, whichever is greater. Taxpayers who own a pass-through business (i.e., partnership, Subchapter S corporation, limited liability company, or sole proprietorship) may also be able to lower their taxable income by claiming the deduction for pass-through business income under Internal Revenue Code (IRC) Section 199A. Then the applicable marginal tax rate is applied to determine an individual's income tax liability. A taxpayer may face additional tax liability if she or he is subject to the alternative minimum tax.[3] The tax owed may be reduced by any credits (e.g., earned income tax credit and child tax credit) a taxpayer is allowed to claim.

This report focuses on several elements of this process that affect most individual taxpayers. Specifically, it tracks changes between 1988 and 2021 in statutory marginal individual income tax rates and the income ranges to which the rates apply (known as tax brackets); the personal exemption and associated limitations for high-income taxpayers; the standard deduction; and limits on itemized deductions for high-income taxpayers. The report is intended to serve as a reference source for federal taxation of individual income going back to the Tax Reform Act of 1986 (P.L. 99-514).

The report begins with a brief overview of the role these elements play in determining tax liability under the regular income tax. (It does not cover situations involving more complicated tax calculations, such as income subject to the alternative minimum tax or income from long-term capital gains.) The report then considers the rationale for indexing elements of the individual income tax for inflation, and of the mechanism for doing so under current law. The final section tracks changes in the personal exemption and limitations on it, the standard deduction and limitations on itemized deductions, and statutory tax rates and brackets from 1988 to 2021, through a series of tables.

An **Appendix** identifies federal tax laws going back to P.L. 99-514 that introduced the changes in the tax elements tracked here. The current federal income tax is a product of the Tax Reform Act of 1986, changes in tax law since then notwithstanding.

[1] For more information on the taxation of noncitizen resident, see CRS Report R43840, *Federal Income Taxes and Noncitizens: Frequently Asked Questions*, by Erika K. Lunder and Margot L. Crandall-Hollick.

[2] These deductions include trade or business expenses, losses from the sale or exchange of property, contributions to a qualified retirement plan by a self-employed individual, contributions to qualified individual retirement accounts, and certain education costs. In 2020 and 2021, taxpayers who claim the standard deduction (or nonitemizers) may be able to claim a deduction for charitable cash contributions. For more details, see CRS Insight IN11420, *Temporary Enhancements to Charitable Contributions Deductions in the CARES Act*, by Jane G. Gravelle, and CRS Report R46649, *The COVID-Related Tax Relief Act of 2020 and Other COVID-Related Tax Provisions in P.L. 116-260*, by Molly F. Sherlock et al.

[3] For more information on the alternative minimum tax for individuals, see CRS In Focus IF10705, *Tax Reform: The Alternative Minimum Tax*, by Donald J. Marples.

Overview of Key Individual Income Tax Elements

Tax Rates and Brackets

At the core of the federal individual income tax are the tax brackets and their corresponding rates. A bracket denotes the range of taxable income to which a particular statutory tax rate applies. All taxable income within a bracket is taxed at that rate. A person's tax liability before credits is the sum total of the tax liability for brackets over which that person's taxable income is distributed. For example, assume a single filer has a taxable income in 2020 of $20,000. Her first $10,000 is taxed at 10% and the second $10,000 is taxed at 15%, giving her a tax liability of $2,500: ($10,000 x 0.1) + ($10,000 x 0.15) = ($1,000 + $1,500) = $2,500. Consequently, the average tax rate (12.5%) is lower than the top marginal rate (15%) that applies to her income.[4] Tax brackets are adjusted for inflation each year, and individual income tax rates are progressive, which means that the rate increases with income.

Personal Exemption

Before 2018, each taxpayer was allowed to reduce gross income by a fixed amount (i.e., an exemption) for herself or himself, a spouse, and all qualified dependents. The amount of the exemption was the same for every individual and indexed for inflation. In 2017, the amount was $4,050 per person. Under current law, the personal exemption is $0 from 2018 through 2025, but it will be reinstated starting in 2026, assuming no legislative changes. For all but three years (2010-2012) from 1991 to 2017, the exemption phased out for taxpayers with income above a threshold amount.

Itemized Deductions and the Standard Deduction

In computing taxable income, individuals are allowed to reduce their gross income by either the standard deduction or the sum of itemized deductions, whichever amount is larger. The standard deduction varies by filing status and is indexed for inflation. In 2020, the basic deduction is $12,400 for single filers and married persons filing separately, $18,650 for a head of household, and $24,800 for a married couple filing jointly and surviving spouses. Taxpayers who are 65 or older and/or blind are eligible for an additional standard deduction. In 2020, that amount is $1,300 for each spouse among joint filers and $1,650 for a single filer or head of household.

In lieu of the standard deduction, a taxpayer may itemize certain deductions. In 2020, these deductions include up to $10,000 for a combination of state and local property taxes and state and local sales or income taxes paid;[5] home mortgage interest paid on mortgage debt of $750,000 or less;[6] eligible charitable contributions; certain investment interest; medical expenses above 7.5% of a person's adjusted gross income (AGI); and casualty and theft losses related to federally declared disasters in excess of both 10% of AGI and $100 per loss.[7] Before 2018, taxpayers were also allowed a deduction for miscellaneous itemized deductions (e.g., certain job-related expenses not paid by an employer) above 2% of AGI, but the 2017 tax revision (P.L. 115-97) suspended it

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[4] For more information on the difference between marginal and average income tax rates, see CRS Report R44787, *Statutory, Average, and Effective Marginal Tax Rates in the Federal Individual Income Tax: Background and Analysis*, by Molly F. Sherlock.

[5] See CRS Report R46246, *The SALT Cap: Overview and Analysis*, by Grant A. Driessen and Joseph S. Hughes.

[6] For more information, see CRS In Focus IF11540, *The Mortgage Interest Deduction*, by Mark P. Keightley.

[7] See CRS Report R45864, *Tax Policy and Disaster Recovery*, by Molly F. Sherlock and Jennifer Teefy.

from 2018 through 2025. Like the personal exemption, total itemized deductions began to phase out from 1991 to 2017 (except for 2010-2012) for higher-income taxpayers when their income exceeded a threshold amount. This amount varied by filing status.

Inflation, Bracket Creep, and Indexation

Tax brackets, the personal exemption (unavailable from 2018 to 2025), and the standard deduction have been indexed for inflation since 1981. Indexing prevents individuals from moving into a higher tax bracket because of inflation, not because of increases in their real income, a process known as bracket creep. The mechanism for indexation was the Consumer Price Index for Urban Consumers (CPI-U) until 2018. Since then, a different consumer price index is being used to make inflation adjustments: the Chained CPI-U (C-CPI-U). Some believe that the C-CPI-U provides a more accurate measure of the rate of price change for consumer products and services than the CPI-U.[8]

During periods of rising or relatively high inflation, a progressive income tax based only on tax brackets measured in current (or nominal) dollars may lead to unintended tax increases. This can happen when nominal incomes rise faster than real incomes, pushing taxpayers into higher tax brackets through bracket creep. The process can lead to larger individual income tax burdens than what lawmakers may have intended when they established statutory rates. Without indexation of key income tax elements, many taxpayers might be affected by bracket creep.

The effects of inflation on income tax liabilities can be considerable, even in periods of low inflation. According to the Bureau of Labor Statistics, $1,000 in July 1988 had the buying power of $2,186.51 in July 2020, using the CPI-U to adjust for inflation.[9] Although year-to-year changes in general price levels have been relatively small in recent years, they eventually can make a substantial difference through the process of compounding.

Congress added indexation to the individual income tax as a part of the package of statutory tax rate reductions included in the Economic Recovery Tax Act of 1981. The relatively high U.S. inflation rate at the time had an effect on congressional deliberations on the benefits of tax indexation.[10] As the Joint Committee on Taxation noted in its explanation of the act:

> The Congress believed that "automatic" tax increases resulting from the effects of inflation were unfair to taxpayers, since their tax burden as a percentage of income could increase during intervals between tax reduction legislation, with an adverse effect on incentives to work and invest. In addition, the Federal Government was provided with an automatic increase in its aggregate revenue, which in turn created pressure for further spending.[11]

For tax years before 2018, the inflation adjustment was based on the percentage by which the average CPI-U in the 12 months ending on August 31 of the preceding year exceeded the average CPI-U during a 12-month base period. Not all indexed tax elements used the same base period.

[8] CRS Report R43347, *Budgetary and Distributional Effects of Adopting the Chained CPI*, by Donald J. Marples.

[9] Bureau of Labor Statistics, *CPI Inflation Calculator*, http://www.bls.gov/data/inflation_calculator.htm/.

[10] The CPI-U rose 8.92% in 1981, following a rise of 12.51% in the previous year. By contrast, the average U.S. inflation rate, as measured by the CPI-U, from 1980 to 2019 was 2.96%.

[11] U.S. Congress, Joint Committee on Taxation, *General Explanation of the Economic Recovery Tax Act of 1981*, JCS-71-81, December 31, 1981, as redistributed by CCH Internet Tax Research NetWork.

For tax years beginning in 2018 and thereafter, a different price index is being used to adjust the values of income tax elements for inflation. Under P.L. 115-97, the Chained Consumer Price Index for All Urban Consumers (C-CPI-U) permanently replaced the CPI-U for this purpose.

Some analysts have argued that the CPI-U overstated rises in the cost of living because it did not account for changes consumers made in their buying patterns when the prices of certain items in the standard market basket went up or down. Not accounting for this substitution effect tended to overstate the impact of inflation on consumers over time.

The C-CPI-U may be better at capturing changes in consumer spending patterns in response to price increases or decreases.[12] The index compares details about what a consumer buys in the period before a price change with details about what he or she buys in the period after the change. In essence, with the C-CPI-U, the BLS calculates one measure of inflation for the first-period basket and a second measure of inflation for the second-period basket and then takes the average. The C-CPI-U does this every month, creating an index that links consumer demand changes from month to month and thus tracks shifts in consumer buying patterns over time and among basket items.

Because the C-CPI-U accounts for the tendency of consumers to substitute cheaper items for items whose prices have risen, it produces lower estimates of the rate of increase in the cost of living over time than the CPI-U does. From 2000 to 2019, the annual average C-CPI-U rose by 41.0%, while the CPI-U's annual average increased by 48.5%.

Using the C-CPI-U to adjust tax elements for inflation raises the concern that bracket creep may occur more often than it would if the CPI-U were used for inflation adjustment. Because the C-CPI-U increases more slowly than the CPI-U, tax bracket thresholds are likely to rise by smaller amounts from one year to the next. In this case, more taxpayers would be at risk of moving into higher tax brackets than they would under the CPI-U. Accelerated bracket creep would result in an increase in federal tax revenue over time, all other things being equal. The Joint Committee on Taxation has estimated that the revenue gain from switching to the C-CPI-U will total $134 billion from FY2018 to FY2027.[13]

Although indexing in general may complicate the calculation of the individual income tax, this effect is arguably a minor concern in light of indexing's benefits to taxpayers over time. The year-to-year changes in dollar amounts have been relatively small in recent years, perhaps making the effects of indexing less apparent. If the U.S. inflation rate were to greatly increase, however, indexation would reduce the likelihood that many taxpayers would face large, unexpected changes in their tax liability even if their real incomes were to remain unchanged.

Since 1981, when Congress first authorized indexing of various individual income tax elements for inflation, the list of indexed elements has expanded and now contains more than 50 tax items. Not all of the items pertain to individuals, and not all elements of the individual income tax are indexed for inflation.

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[12] CRS Report RL32293, *The Chained Consumer Price Index: What Is It and Would It Be Appropriate for Cost-of-Living Adjustments?*, by Julie M. Whittaker.

[13] U.S. Congress, Joint Committee on Taxation, *General Explanation of* P.L. 115-97, JCS-1-18 (Washington: GPO, 2018), p. 434.

Tax Tables from 1988 to 2021

The following tables present the personal exemption and phaseout threshold amounts, standard deductions, limitations on itemized deductions, and statutory marginal tax rates schedules for each tax year from 2021 back to 1988.

Table 1. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2021

Personal Exemption and Phaseout:	$0 (suspended through the end of 2025)
Standard Deduction:	
Joint	$25,100
Single	$12,550
Head of Household	$18,800
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,350
Single/Head of Household	$1,700
Limitation on Itemized Deductions:	Suspended through the end of 2025
Statutory Marginal Income Tax Rates, 2021	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $19,900	10% of the amount over $0
over $19,900 to $81,050	$1,990 + 12% of the amount over $19,900
over $81,050 to $172,750	$9,328 + 22% of the amount over $81,050
over $172,750 to $329,850	$29,502 + 24% of the amount over $172,750
over $329,850 to $418,850	$67,206 + 32% of the amount over $329,850
over $418,850 to $628,300	$95,686 + 35% of the amount over $418,850
over $628,300	$168,993.50 + 37% of the amount over $628,300
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,950	10% of the amount over $0
over $9,950 to $40,525	$995 + 12% of the amount over $9,950
over $40,525 to $86,375	$4,664 + 22% of the amount over $40,525
over $86,375 to $164,900	$14,751 + 24% of the amount over $86,375
over $164,900 to $209,400	$33,603 + 32% of the amount over $164,900
over $209,400 to $523,600	$47,843 + 35% of the amount over $209,400
over $523,600	$157,804.25 + 37% of the amount over $523,600

Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $14,200	10% of the amount over $0
over $14,200 to $54,200	$1,420 + 12% of the amount over $14,200
over $54,200 to $86,350	$6,220 + 22% of the amount over $54,200
over $86,350 to $164,900	$13,293 + 24% of the amount over $86,350
over $164,900 to $209,400	$32,415 + 32% of the amount over $164,900
over $209,400 to $523,600	$46,385 + 35% of the amount over $209,400
over $523,600	$156,355 + 37% of the amount over $523,600

Source: IRS Revenue Procedure 2020-45.

Table 2. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2020

Personal Exemption and Phaseout:	$0 (suspended through the end of 2025)
Standard Deduction:	
Joint	$24,800
Single	$12,400
Head of Household	$18,650
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,300
Single/Head of Household	$1,650
Limitation on Itemized Deductions:	Suspended through the end of 2025
Statutory Marginal Income Tax Rates, 2020	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $19,750	10% of the amount over $0
over $19,750 to $80,250	$1,975 + 12% of the amount over $19,750
over $80,250 to $171,050	$9,235 + 22% of the amount over $80,250
over $171,050 to $326,600	$29,211 + 24% of the amount over $171,050
over $326,600 to $414,700	$66,543 + 32% of the amount over $326,600
over $414,700 to $622,050	$94,735 + 35% of the amount over $414,700
over $622,050	$167,307.50 + 37% of the amount over $622,050
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,875	10% of the amount over $0
over $9,875 to $40,125	$987.50 + 12% of the amount over $9,875
over $40,125 to $85,525	$4,617.50 + 22% of the amount over $40,125

over $85,525 to $163,300	$14,605.50 + 24% of the amount over $85,525
over $163,300 to $207,350	$33,271.50 + 32% of the amount over $163,300
over $207,350 to $518,400	$47,367.50 + 35% of the amount over $207,350
over $518,400	$156,235 + 37% of the amount over $518,400
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $14,100	10% of the amount over $0
over $14,100 to $53,700	$1,410 + 12% of the amount over $14,100
over $53,700 to $85,500	$6,612 + 22% of the amount over $53,700
over $85,500 to $163,300	$13,158 + 24% of the amount over $85,500
over $163,300 to $207,350	$31,830 + 32% of the amount over $163,300
over $207,350 to $518,400	$45,926 + 35% of the amount over $207,350
over $518,400	$154,793.50 + 37% of the amount over $518,400

Source: IRS Revenue Procedure 2019-44.

Table 3. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2019

Personal Exemption and Phaseout:	$0 (suspended through the end of 2025)
Standard Deduction:	
Joint	$24,400
Single	$12,200
Head of Household	$18,350
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,300
Single/Head of Household	$1,650
Limitation on Itemized Deductions:	Suspended through the end of 2025
Statutory Marginal Income Tax Rates, 2019	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $19,400	10% of the amount over $0
over $19,400 to $78,950	$1,940 + 12% of the amount over $19,400
over $78,950 To $168,400	$9,086 + 22% of the amount over $78,950
over $168,400 to $321,450	$28,675 + 24% of the amount over $168,400
over $321,450 to $408,200	$65,497 + 32% of the amount over $321,450
over $408,200 to $612,350	$93,257 + 35% of the amount over $408,200
over $612,350	$164,709.50 + 37% of the amount over $612,350

Single Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $9,700		10% of the amount over $0
over $9,700 to $39,475		$970 + 12% of the amount over $9,700
over $39,475 to $84,200		$4543 + 22% of the amount over $39,475
over $84,200 to $160,725		$14,382.50 + 24% of the amount over $84,200
over $160,725 to $204,100		$32,748.50 + 32% of the amount over $160,725
over $204,100 to $510,300		$46,628.50 + 35% of the amount over $204,100
over $510,300		$153,798.50 + 37% of the amount over $510,300
Head-of-Household Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $13,850		10% of the amount over $0
over $13,850 to $52,850		$1,385 + 12% of the amount over $13,850
over $52,850 to $84,200		$6,065 + 22% of the amount over $52,850
over $84,200 to $160,700		$12,962 + 24% of the amount over $84,200
over $160,700 to $204,100		$31,322 + 32% of the amount over $160,700
over $204,100 to $510,300		$45,210 + 35% of the amount over $204,100
over $510,300		$152,380 + 37% of the amount over $510,300

Source: IRS Revenue Procedure 2018-57.

Table 4. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2018

Personal Exemption and Phaseout:		$0 (suspended through the end of 2025)
Standard Deduction:		
Joint		$24,000
Single		$12,000
Head of Household		$18,000
Additional Standard Deduction for the Elderly or the Blind:		
Joint (each spouse)		$1,300
Single/Head of Household		$1,600
Limitation on Itemized Deductions:		Suspended through the end of 2025
Statutory Marginal Income Tax Rates, 2018		
Joint Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $19,050		10% of the amount over $0
over $19,050 to $77,400		$1,905 + 12% of the amount over $19,050
over $77,400 to $165,000		$8,907 + 22% of the amount over $77,400

over $165,000 to $315,000	$28,675 + 24% of the amount over $165,000
over $315,000 to $400,000	$64,179 + 32% of the amount over $315,000
over $400,000 to $600,000	$91,379 + 35% of the amount over $400,000
over $600,000	$161,379 + 37% of the amount over $600,000
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,525	10% of the amount over $0
over $9,525 to $38,700	$952.50 + 12% of the amount over $9,525
over $38,700 to $82,500	$4,453.50 + 22% of the amount over $38,700
over $82,500 to $157,500	$14,089.50 + 24% of the amount over $82,500
over $157,500 to $200,000	$32,089.50 + 32% of the amount over $157,500
over $200,000 to $500,000	$45,689.50 + 35% of the amount over $200,000
over $500,000	$150,689.50 + 37% of the amount over $500,000
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $13,600	10% of the amount over $0
over $13,600 to $51,800	$1,360 + 12% of the amount over $13,600
over $51,800 to $82,500	$5,944 + 22% of the amount over $51,800
over $82,500 to $157,500	$12,698 + 24% of the amount over $82,500
over $157,500 to $200,000	$30,698 + 32% of the amount over $157,500
over $200,000 to $500,000	$44,298 + 35% of the amount over $200,000
over $500,000	$149,298 + 37% of the amount over $500,000

Source: IRS Revenue Procedure: 2018-18.

Table 5. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2017

Personal Exemption:	$4,050
Personal exemption began to phase out at a rate of 2% for every $2,500 a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$313,800
Single	$261,500
Head of Household	$287,650
Standard Deduction:	
Joint	$12,700
Single	$6,350
Head of Household	$9,350
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,250

Single/Head of Household	$1,550
Limitation on Itemized Deductions:	
For taxpayers whose adjusted gross income (AGI) exceeded the amounts shown below, the itemized deductions they could claim were equal to the lesser of 80% of the amount of allowable itemized deductions, or 3% of the excess of a taxpayer's AGI above those amounts. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	
Joint	$313,800
Head of Household	$287,650
Single	$261,500

Statutory Marginal Income Tax Rates, 2017	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $18,650	10% of the amount over $0
over $18,650 to $75,900	$1,865 + 15% of the amount over $18,650
over $75,900 to $153,100	$10,452.50 + 25% of the amount over $75,900
over $153,100 to $233,350	$28,675 + 28% of the amount over $153,100
over $233,350 to $416,700	$52,222.50 + 33% of the amount over $233,350
over $416,700 to $470,700	$112,728 + 35% of the amount over $416,700
over $470,700	$131,628 + 39.6% of the amount over $470,700
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,325	10% of the amount over $0
over $9,325 to $37,950	$932.50 + 15% of the amount over $9,325
over $37,950 to $91,900	$5,226.25 + 25% of the amount over $37,950
over $91,900 to $191,650	$18,713.75 + 28% of the amount over $91,900
over $191,650 to $416,700	$46,643.75 + 33% of the amount over $191,650
over $416,700 to $418,400	$120,910.25 + 35% of the amount over $416,700
over $418,400	$121,505.25 + 39.6% of the amount over $418,400
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $13,350	10% of the amount over $0
over $13,350 to $50,800	$1,335 + 15% of the amount over $13,350
over $50,800 to $131,200	$6,952.50 + 25% of the amount over $50,800
over $131,200 to $212,500	$27,052.50 + 28% of the amount over $131,200
over $212,500 to $416,700	$49,816.50 + 33% of the amount over $212,500
over $416,700 to $444,550	$117,202.50 + 35% of the amount over $416,700
over $444,550	$126,950 + 39.6% of the amount over $444,550

Source: IRS Revenue Procedure 2016-55.

Table 6. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2016

Personal Exemption:	$4,050
Personal exemption began to phase out at a rate of 2% for every $2,500 a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$311,300
Head of household	2852,350
Single	$259,400
Standard Deduction:	
Joint	$12,600
Single	$6,300
Head of Household	$9,300
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,250
Single/Head of Household	$1,550
Limitation on Itemized Deductions:	
For taxpayers whose adjusted gross income (AGI) exceeded the amounts shown below, the itemized deductions they could claim were equal to the lesser of 80% of the amount of allowable itemized deductions, or 3% of the excess of a taxpayer's AGI above those amounts. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	
Joint	$311,300
Head of Household	$285,350
Single	$259,400
Statutory Marginal Income Tax Rates, 2016	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $18,550	10% of the amount over $0
over $18,550 to $75,300	$1,855 + 15% of the amount over $18,550
over $75,300 to $151,900	$10,162.50 + 25% of the amount over $75,300
over $151,900 to $231,450	$28,925 + 28% of the amount over $151,900
over $231,450 to $413,350	$50,765 + 33% of the amount over $231,450
over $413,350 to $466,950	$109,587.50 + 35% of the amount over $413,350
over $466,950	$127,962.50 + 39.6% of the amount over $466,950
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,275	10% of the amount over $0
over $9,275 to $37,650	$927.50 + 15% of the amount over $9,275
over $37,650 to $91,150	$5,081.25 + 25% of the amount over $37,650
over $91,150 to $190,150	$18,193.75 + 28% of the amount over $91,150

over $190,150 to $413,350		$45,353.75 + 33% of the amount over $190,150
over $413,350 to $415,050		$117,541.25 + 35% of the amount over $413,350
over $415,050		$118,118.75 + 39.6% of the amount over$415,050
Head-of-Household Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $13,250		10% of the amount over $0
over $13,250 to $50,200		$1,325 + 15% of the amount over $13,250
over $50,200 to $130,150		$6,762.50 + 25% of the amount over $50,200
over $130,150 to $210,800		$26,300 + 28% of the amount over $130,150
over $210,800 to $413,350		$48,434 + 33% of the amount over $210,800
over $413,350 to $441,000		$113,939 + 35% of the amount over $413,350
over $441,000		$123,424 + 39.6% of the amount over $441,000

Source: IRS Revenue Procedure 2015-53.

Table 7. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2015

Personal Exemption:	$4,000
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$309,900
Single	$258,250
Head of Household	$284,050
Standard Deduction:	
Joint	$12,600
Single	$6,300
Head of Household	$9,250
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,250
Single/Head of Household	$1,550
Limitation on Itemized Deductions:	
For taxpayers whose adjusted gross income (AGI) exceeded the amounts shown below, the itemized deductions they could claim were equal to the lesser of 80% of the amount of allowable itemized deductions, or 3% of the excess of a taxpayer's AGI above those amounts. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	
Joint	$309,900
Single	$258,250
Head of Household	$284,050

Statutory Marginal Income Tax Rates, 2015	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $18,450	10% of the amount over $0
over $18,450 to $74,900	$1,845 + 15% of the amount over $18,4500
over $74,900 to $151,200	$10,162.50 + 25% of the amount over $74,900
over $151,200 to $230,450	$28,925 + 28% of the amount over $151,200
over $230,450 to $411,500	$50,765 + 33% of the amount over $230,450
over $411,500 to $464,850	$109,587.50 + 35% of the amount over $411,500
over $464,850	$127,962.50 + 39.6% of the amount over $464,850
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,225	10% of the amount over $0
over $9,225 to $37,450	$922.50 + 15% of the amount over $9,225
over $37,450 to $90,750	$5,081.25 + 25% of the amount over $37,450
over $90,750 to $189,300	$18,193.75 + 28% of the amount over $90,750
over $189,300 to $411,500	$45,353.75 + 33% of the amount over $189,300
over $411,500 to $413,200	$117,541.25 + 35% of the amount over $411,500
over $413,200	$118,118.75 + 39.6% of the amount over $413,200
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $13,150	10% of the amount over $0
over $13,150 to $50,200	$1,315+ 15% of the amount over $13,150
over $50,200 to $129,600	$6,762.50 + 25% of the amount over $50,200
over $129,600 to $209,850	$26,300 + 28% of the amount over $129,600
over $209,850 to $411,500	$48,434 + 33% of the amount over $209,850
over $411,500 to $439,000	$113,939 + 35% of the amount over $411,500
over $439,000	$123,424 + 39.6% of the amount over $439,000

Source: IRS Revenue Procedure 2014-61.

Table 8. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2014

Personal Exemption:	$3,950
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$305,050
Head of household	$279,650
Single	$254,200

Standard Deduction:	
Joint	$12,400
Single	$6,200
Head of Household	$9,100
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,200
Single/Head of Household	$1,500
Limitation on Itemized Deductions:	
For taxpayers whose adjusted gross income (AGI) exceeded the amounts shown below, the itemized deductions they could claim were equal to the lesser of 80% of the amount of allowable itemized deductions, or 3% of the excess of a taxpayer's AGI above those amounts. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	
Joint	$305,050
Single	$254,200
Head of Household	$279,650

Statutory Marginal Income Tax Rates, 2014

If *taxable income* is:	Then, *tax* is:
Joint Returns	
$0 to $18,150	10% of the amount over $0
over $18,150 to $73,800	$1,815 + 15% of the amount over $18,150
over $73,800 to $148,850	$10,162.50 + 25% of the amount over $73,800
over $148,850 to $226,850	$28,925 + 28% of the amount over $148,850
over $226,850 to $405,100	$50,765 + 33% of the amount over $226,850
over $405,100 to $457,600	$109,587.50 + 35% of the amount over $405,100
over $457,600	$127,962.50 + 39.6% of the amount over $457,600
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $9,075	10% of the amount over $0
over $9,075 to $36,900	$907.50 + 15% of the amount over $9,075
over $36,900 to $89,350	$5,081.25 + 25% of the amount over $36,900
over $89,350 to $186,350	$18,193.75 + 28% of the amount over $89,350
over $186,350 to $405,100	$45,353.75 + 33% of the amount over $186,350
over $405,100 to $406,750	$117,541.25 + 35% of the amount over $405,100
over $406,750	$118,118.75 + 39.6% of the amount over $406,750
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $12,950	10% of the amount over $0
over $12,950 to $49,400	$1,295 + 15% of the amount over $12,950
over $49,400 to $127,550	$6,762.50 + 25% of the amount over $49,400

over $127,550 to $206,600	$26,300 + 28% of the amount over $127,550
over $206,600 to $405,100	$48,434 + 33% of the amount over $206,600
over $405,100 to $432,200	$113,939 + 35% of the amount over $405,100
over $432,200	$123,424 + 39.6% of the amount over $432,200

Source: IRS Revenue Procedure 2013-35.

Table 9. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2013

Personal Exemption	$3,900
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$422,501
Head of household	$397,501
Single	$372,501
Standard Deduction:	
Joint	$12,200
Single	$6,100
Head of Household	$8,950
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,200
Single/Head of Household	$1,500
Limitation on Itemized Deductions:	
For taxpayers whose adjusted gross income (AGI) exceeded the amounts shown below, the itemized deductions they could claim were equal to the lesser of 80% of the amount of allowable itemized deductions, or 3% of the excess of a taxpayer's AGI above those amounts. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	
Joint	$300,000
Head of Household	$275,000
Single	$250,000
Statutory Marginal Income Tax Rates, 2013	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $17,850	10% of the amount over $0
over $17,850 to $72,500	$1,785 + 15% of the amount over $17,850
over $72,500 to $146,400	$9,982.50 + 25% of the amount over $72,500
over $146,400 to $223,050	$28,457.50 + 28% of the amount over $146,400
over $223,050 to $398,350	$49,919.50 + 33% of the amount over $223,050
over $398,350 to $450,000	$107,768.50 + 35% of the amount over $398,350
over $450,000	$125,846 + 39.6% of the amount over $450,000

Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,925	10% of the amount over $0
over $8,925 to $36,250	$892.50 + 15% of the amount over $8,925
over $36,250 to $87,850	$4,991.25 + 25% of the amount over $36,250
over $87,850 to $183,250	$17,891.25 + 28% of the amount over $87,850
over $183,250 to $398,350	$44,603.25 + 33% of the amount over $183,250
over $398,350 to $400,000	$115,586.25 + 35% of the amount over $398,350
over $400,000	$116,163.75 + 39.6% of the amount over $400,000
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $12,750	10% of the amount over $0
over $12,750 to $48,600	$1,275 + 15% of the amount over $12,750
over $48,600 to $125,450	$6,652.50 + 25% of the amount over $48,600
over $125,450 to $203,150	$25,865 + 28% of the amount over $125,450
over $203,150 to $398,350	$47,621 + 33% of the amount over $203,150
over $398,350 to $425,000	$112,037 + 35% of the amount over $398,350
over $425,000	$121,364.50 + 39.6% of the amount over $425,000

Source: IRS Revenue Procedure 2012-41.

Table 10. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2012

Personal Exemption	$3,800
Phaseout of personal exemption:	Ended on Dec. 31, 2009
Standard Deduction:	
Joint	$11,900
Single	$5,950
Head of Household	$8,700
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,150
Single/Head of Household	$1,450
Limitation on itemized deductions:	Ended on Dec. 31, 2009

Statutory Marginal Income Tax Rates, 2012	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $17,400	10% of the amount over $0
over $17,400 to $70,700	$1,740 + 15% of the amount over $17,400
over $70,700 to $142,700	$9,500 + 25% of the amount over $70,700
over $142,700 to $217,450	$27,087.50 + 28% of the amount over $142,700
over $217,450 to $388,350	$47,513.50 + 33% of the amount over $217,450
over $388,350	$102,574 + 35% of the amount over $388,350
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,700	10% of the amount over $0
over $8,700 to $35,350	$870 + 15% of the amount over $8,700
over $35,350 to $85,650	$4,750 + 25% of the amount over $35,350
over $85,650 to $178,650	$17,025 + 28% of the amount over $85,650
over $178,650 to $388,350	$42,449 + 33% of the amount over $178,650
over $388,350	$110,016.50 + 35% of the amount over $388,350
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $12,400	10% of the amount over $0
over $12,400 to $47,350	$1,240 + 15% of the amount over $12,400
over $47,350 to $122,300	$6,330 + 25% of the amount over $47,350
over $122,300 to $198,050	$24,617.50 + 28% of the amount over $122,300
over $198,050 to $388,350	$45,322.50 + 33% of the amount over $198,050
over $388,350	$106,637.50 + 35% of the amount over $388,350

Source: IRS Revenue Procedure 2011-52.

Table 11. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2011

Personal Exemption:	$3,700
Phaseout of personal exemption:	Ended on Dec. 31, 2009
Standard Deduction:	
Joint	$11,600
Single	$5,800
Head of Household	$8,500
Additional Standard Deduction for the Elderly or the Blind:	
Joint (each spouse)	$1,150
Single/Head of Household	$1,450

Limitation on itemized deductions:	Ended on Dec. 31, 2009
Statutory Marginal Income Tax Rates, 2011	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$ 0 to $17,000	10% of the amount over $0
over $17,000 to $69,000	$1,700 + 15% of the amount over $17,000
over $69,000 to $139,350	$9,.500 + 25% of the amount over $69,000
over $139,350 to $212,300	$27,087.50 + 28% of the amount over $139,350
over $212,300 to $379,150	$47,513.50 + 33% of the amount over $212,300
over $379,150	$102,574 + 35% of the amount over $379,150
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,500	10% of the amount over $0
over $8,500 to $34,500	$850 + 15% of the amount over $8,500
over $34,500 to $83,600	$4,750 + 25% of the amount over $34,500
over $83,600 to $174,400	$17,025 + 28% of the amount over $83,600
over $174,400 to $379,150	$42,449 + 33% of the amount over $174,400
over $379,150	$110,016.50 + 35% of the amount over $379,150
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $12,150	10% of the amount over $0
over $12,150 to $46,250	$1,215 + 15% of the amount over $12,150
over $46,250 to $119,400	$6,330 + 25% of the amount over $46,250
over $119,400 to $193,350	$24,617.50 + 28% of the amount over $119,400
over $193,350 to $379,150	$45,322.50 + 33% of the amount over $193,350
over $379,150	$106,637.50 + 35% of the amount over $379,150

Source: IRS Revenue Procedure 2011-12.

Table 12. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2010

Personal Exemption:	$3,650
Phaseout of personal exemption:	Ended on Dec. 31, 2009
Standard Deduction:	
Joint	$11,400
Single	$5,700
Head of Household	$8,400
Additional Standard Deductions for the Elderly or the Blind:	
Joint (each spouse)	$1,100

Single/Head of Household	$1,400
Limitation on itemized deductions:	Ended on Dec. 31, 2009
Statutory Marginal Income Tax Rates, 2010	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $16,750	10% of the amount over $0
over $16,750 to $68,000	$1,675 + 15% of the amount over $16,750
over $68,000 to $137,300	$9,362.50 + 25% of the amount over $68,000
over $137,300 to $209,250	$26,687.50 + 28% of the amount over $137,300
over $209,250 to $373,650	$46,833.50 + 33% of the amount over $209,250
over $373,650	$100,894.50 + 35% of the amount over $373,650
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,375	10% of the amount over $0
over $8,375 to $34,000	$837.50 + 15% of the amount over $8,375
over $34,000 to $82,400	$4,681.25 + 25% of the amount over $34,000
over $82,400 to $171,850	$16,781.25 + 28% of the amount over $82,400
over $171,850 to $373,650	$41,827.25 + 33% of the amount over $171,850
over $373,650	$108,421.25 + 35% of the amount over $373,650
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $11,950	10% of the amount over $0
over $11,950 to $45,550	$1,195 + 15% of the amount over $11,950
over $45,550 to $117,650	$6,235 + 25% of the amount over $45,550
over $117,650 to $190,550	$24,215 + 28% of the amount over $117,650
over $190,550 to $373,650	$44,672 + 33% of the amount over $190,550
over $373,650	$105,095 + 35% of the amount over $373,650

Source: IRS Revenue Procedure 2009-50.

Table 13. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2009

Personal Exemption:	$3,650
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$250,200
Single	$166,800
Head of Household	$208,500

Standard Deduction:	
Joint	$11,400
Single	$5,700
Head of Household	$8,350
Additional Standard Deductions for the Elderly or the Blind:	
Joint (each spouse)	$1,100
Single/Head of Household	$1,400
Limitation on itemized deductions:	$166,800
For persons whose adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions they could claim had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	(for all filers except married persons filing separately)
Stat Marginal Income Tax Rates, 2009	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $16,700	10% of the amount over $0
over $67,900 to $137,050	$1,670 + 15% of the amount over $16,700
over $137,050 to $208,850	$9,350 + 25% of the amount over $67,900
	$26,637.50 + 28% of the amount over $137,050
over $208,850 to $372,950	$46,741.50 + 33% of the amount over $208,850
over $372,950	$100,894.50 + 35% of the amount over $372,950
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,350	10% of the amount over $0
over $8,350 to $33,950	$835 + 15% of the amount over $8,350
over $33,950 to $82,250	$4,675 + 25% of the amount over $33,950
over $82,250 to $171,550	$16,750 + 28% of the amount over $82,250
over $171,550 to $372,950	$41,754 + 33% of the amount over $171,550
over $372,950	$108,216 + 35% of the amount over $372,950
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $11,950	10% of the amount over $0
over $11,950 to $45,500	$1,195 + 15% of the amount over $11,950
over $45,500 to $117,450	$6,227.50 + 25% of the amount over $45,500
over $117,450 to $190,200	$24,215 + 28% of the amount over $117,450
over $190,200 to $372,950	$44,585 + 33% of the amount over $190,200
over $372,950	$104,892.50 + 35% of the amount over $372,950

Source: IRS Revenue Procedure 2008-66.

Table 14. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2008

Personal Exemption	$3,500
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$239,950
Single	$159,950
Head of Household	$199,900
Standard Deduction:	
Joint	$10,900
Single	$5,450
Head of Household	$8,000
Additional Standard Deductions for the Elderly or the Blind:	
Joint (each spouse)	$1,050
Single/Head of Household	$1,350
Limitation on itemized deductions:	$159,950
If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	(for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 2008	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $16,050	10% of the amount over $0
over $16,050 to $65,100	$1,605 + 15% of the amount over $16,050
over $65,100 to $131,450	$8,962.50 + 25% of the amount over $65,100
over $131,450 to $200,300	$25,550 + 28% of the amount over $131,450
over $200,300 to $357,700	$44,828 + 33% of the amount over $200,300
over $357,700	$96,770 + 35% of the amount over $357,700
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $8,025	10% of the amount over $0
over $8,025 to $32,550	$802.50 + 15% of the amount over $8,025
over $32,550 to $78,850	$4,481.25 + 25% of the amount over $32,550
over $78,850 to $164,550	$16,056.25 + 28% of the amount over $78,850

over $164,550 to $357,700	$40,052.25 + 33% of the amount over $164,550
over $357,700	$103,791.75 + 35% of the amount over $357,700
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $11,450	10% of the amount over $0
over $11,450 to $43,650	$1,145 + 15% of the amount over $11,450
over $43,650 to $112,650	$5,975 + 25% of the amount over $43,650
over $112,650 to $182,400	$23,225 + 28% of the amount over $112,650
over $182,400 to $357,700	$42,755 + 33% of the amount over $182,400
over $357,700	$100,604 + 35% of the amount over $357,700

Source: IRS Revenue Procedure 2007-66.

Table 15. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2007

Personal Exemption:	$3,400
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$234,600
Single	$156,400
Head of Household	$195,500
Standard Deduction:	
Joint	$10,700
Single	$5,350
Head of Household	$7,850
Additional Standard Deductions for the Elderly or the Blind:	
Joint (each spouse)	$1,050
Single/Head of Household	$1,300
Limitation on itemized deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$156,400 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 2007	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $15,650	10% of the amount over $0
over $15,650 to $63,700	$1,565 + 15% of the amount over $15,650

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

Table 16. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2006

Personal Exemption:	$3,300
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$225,750
Head of Household	$188,150
Single	$150,500
Standard Deduction:	
Joint	$10,300
Single	$5,150
Head of Household	$7,550
Additional Standard Deductions for the Elderly or the Blind:	
Joint (each spouse)	$1,000
Single/Head of Household	$1,250

Limitation on itemized deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$150,500 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 2006	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $15,100	10% of the amount over $0
over $15,100 to $61,300	$1,510 + 15% of the amount over $15,100
over $61,300 to $123,700	$8,440 + 25% of the amount over $61,300
over $123,700 to $188,450	$24,040 + 28% of the amount over $123,700
over $188,450 to $336,550	$42,170 + 33% of the amount over $188,450
over $336,550	$91,043 + 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
over $7,550 to $30,650	$755 + 15% of the amount over $7,550
over $30,650 to $74,200	$4,220 + 25% of the amount over $30,650
over $74,200 to $154,800	$15,108 + 28% of the amount over $74,200
over $154,800 to $336,550	$37,676 + 33% of the amount over $154,800
over $336,550	$97,653 + 35% of the amount over $336,550
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $10,750	10% of the amount over $0
over $10,750 to $41,050	$1,075 + 15% of the amount over $10,750
over $41,050 to $106,000	$5,620 + 25% of the amount over $41,050
over $106,000 to $171,650	$21,858 + 28% of the amount over $106,000
over $171,650 to $336,550	$40,240 + 33% of the amount over $171,650
over $336,550	$94,657 + 35% of the amount over $336,550

Source: IRS Revenue Procedure 2005-70.

Table 17. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2005

Personal Exemption:	$3,200

Personal exemption began to phase out at a rate of %2 for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:

Joint	$218,950
Single	$145,950
Head of Household	$182,450
Standard Deduction:	
Joint	$10,000
Single	$5,000
Head of Household	$7,300
Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:	
Joint (each spouse)	$1,000
Single/Head of Household	$1,250
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$145,950 (for all filers except married persons filing separately)

Statutory Marginal Income Tax Rates, 2005	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $14,600	10% of the amount over $0
over $14,600 to $59,400	$1,460 + 15% of the amount over $14,600
over $59,400 to $119,950	$8,180 + 25% of the amount over $59,400
over $119,950 to $182,800	$23,318 + 28% of the amount over $119,950
over $182,800 to $326,450	$40,916 + 33% of the amount over $182,800
over $326,450	$88,321 + 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
over $7,300 to $29,700	$730 + 15% of the amount over $7,300
over $29,700 to $71,950	$4,090 + 25% of the amount over $29,700
over $71,950 to $150,150	$14,653 + 28% of the amount over $71,950
over $150,150 to $326,450	$36,549 + 33% of the amount over $150,150
over $326,450	$94,728 + 35% of the amount over $326,450
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $10,450	10% of the amount over $0
over $10,450 to $39,800	$1,045 + 15% of the amount over $10,450
over $39,800 to $102,800	$5,448 + 25% of the amount over $39,800

over $102,800 to $166,450	$21,198 + 28% of the amount over $102,800
over $166,450 to $326,450	$39,020 + 33% of the amount over $166,450
over $326,450	$91,820 + 35% of the amount over $326,450

Source: IRS Revenue Procedure 2004-71.

Table 18. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of the Personal Exemption, and Statutory Marginal Tax Rates, 2004

Personal Exemption:	$3,100
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$214,050
Single	$142,700
Head of Household	$178,350
Standard Deduction:	
Joint	$9,700
Single	$4,850
Head of Household	$7,150
Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:	
Joint	$950
Single/Head of Household	$1,200
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$142,700 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 2004	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$ 0 to $14,300	10% of the amount over $0
over $14,300 to $58,100	$1,430 + 15% of the amount over $14,300
over $58,100 to $117,250	$8,000 + 25% of the amount over $58,100
over $117,250 to $178,650	$22,788 + 28% of the amount over $117,250
over $178,650 to $319,100	$39,980 + 33% of the amount over $178,650
over $319,100	$86,328 + 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
over $7,150 to $29,050	$715 + 15% of the amount over $7,150
over $29,050 to $70,350	$4,000 + 25% of the amount over $29,050
over $70,350 to $146,750	$14,325 + 28% of the amount over $70,350
over $146,750 to $319,100	$35,717 + 33% of the amount over $146,750
over $319,100	$92,593 + 35% of the amount over $319,100
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $10,200	10% of the amount over $0
over $10,200 to $38,900	$1,020 + 15% of the amount over $10,200
over $38,900 to $100,500	$5,325 + 25% of the amount over $38,900
over $100,500 to $162,700	$20,725 + 28% of the amount over $100,500
over $162,700 to $319,100	$38,141 + 33% of the amount over $162,700
over $319,100	$89,753 + 35% of the amount over $319,100

Source: IRS Revenue Procedure 2003-85.

Table 19. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout, and Statutory Marginal Tax Rates, 2003

(after enactment of the Jobs and Growth Tax Relief Reconciliation Act)

Personal Exemption:	$3,050
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$209,250
Single	$139,500
Head of Household	$174,400
Standard Deduction:	
Joint	$9,500
Single	$4,750
Head of Household	$7,000
Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:	
Joint	$950
Single/Head of Household	$1,150

Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$139,500 (for all filers except married persons filing separately)

Statutory Marginal Income Tax Rates, 2003

(after enactment of the Jobs and Growth Tax Relief Reconciliation Act)

Joint Returns

If *taxable income* is:	Then, *tax* is:
$0 to $14,000	10% of the amount over $0
over $14,000 to $56,800	$1,400 + 15% of the amount over $14,000
over $56,800 to $114,650	$7,820 + 25% of the amount over $56,800
over $114,650 to $174,700	$22,283 + 28% of the amount over $114,650
over $174,700 to $311,950	$39,097 + 33% of the amount over $174,700
over $311,950	$84,390 + 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
over $7,000 to $28,400	$700 + 15% of the amount over $7,000
over $28,400 to $68,800	$3,910 + 25% of the amount over $28,400
over $68,800 to $143,500	$14,010 + 28% of the amount over $68,800
over $143,500 to $311,950	$34,926 + 33% of the amount over $143,500
over $311,950	$90,515 + 35% of the amount over $311,950

Head-of-Household Returns

If *taxable income* is:	Then, *tax* is:
$0 to $10,000	10% of the amount over $0
over $10,000 to $38,050	$1,000 + 15% of the amount over $10,000
over $38,050 to $98,250	$5,208 + 25% of the amount over $38,050
over $98,250 to $159,100	$20,258 + 28% of the amount over $98,250
over $159,100 to $311,950	$37,296 + 33% of the amount over $159,100
over $311,950	$87,737 + 35% of the amount over $311,950

Source: IRS Revenue Procedure 2002-70.

Table 20. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 2002

Personal Exemption:	$3,000
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$206,000
Single	$137,300
Head of Household	$171,650
Standard Deduction:	
Joint	$7,850
Single	$4,700
Head of Household	$6,900
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$900
Single/Head of Household	$1,150
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded the amount shown in the right column, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$137,300 (for all filers except married persons filing separately)

Statutory Marginal Tax Rates, 2002

Joint Returns

If *taxable income* is:	Then, *tax* is:
$0 to $12,000	10% of the amount over $0
over $12,000 to $46,700	$1,200 + 15% of the amount over $12,000
over $46,700 to $112,850	$6,405 + 27% of the amount over $46,700
over $112,850 to $171,950	$24,266 + 30% of the amount over $112,850
over $171,950 to $307,050	$41,996 + 35% of the amount over $171,950
over $307,050	$89,281 + 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
over $6,000 to $27,950	$600 + 15% of the amount over $6,000
over $27,950 to $67,700	$3,893 + 27% of the amount over $27,950
over $67,700 to $141,250	$14,626 + 30% of the amount over $67,700

over $141,250 to $307,050	$36,691 + 35% of the amount over $141,250
over $307,050	$94,721 + 38.6% of the amount over $307,050
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $10,000	10% of the amount over $0
over $10,000 to $37,450	$1,000 + 15% of the amount over $10,000
over $37,450 to $96,700	$5,118 + 27% of the amount over $37,450
over $96,700 to $156,600	$21,116 + 30% of the amount over $96,700
over $156,600 to $307,050	$39,086 + 35% of the amount over $156,600
over $307,050	$91,744 + 38.6% of the amount over $307,050

Source: IRS Revenue Procedure 2001-59.

Table 21. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 2001

Personal Exemption:	$2,900
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$199,450
Single	$132,950
Head of Household	$166,200
Standard Deduction:	
Joint	$7,600
Single	$4,550
Head of Household	$6,650
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$900
Single/Head of Household	$1,100
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$132,950 (for all filers except for married persons filing separately)
Statutory Marginal Income Tax Rates, 2001	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $45,200	15% of the amount over $0

over $45,200 to $109,250	$6,780 + 27.5% of the amount over $45,200
over $109,250 to $166,500	$24,394 + 30.5% of the amount over $109,250
over $166,500 to $297,350	$41,855 + 35.5% of the amount over $166,500
over $297,350	$88,307 + 39.1% of the amount over $297,350
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $27,050	15% of the amount over $0
over $27,050 to $65,550	$4,058 + 27.5% of the amount over $27,050
over $65,550 to $136,750	$14,646 + 30.5% of the amount over $65,550
over $136,750 to $297,350	$36,362 + 35.5% of the amount over $136,750
over $297,350	$93,375 + 39.1% of the amount over $297,350
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $36,250	15% of the amount over $0
over $36,250 to $93,650	$5,438 + 27.5% of the amount over $36,250
over $93,650 to $151,650	$21,223 + 30.5% of the amount over $93,650
over $151,650 to $297,350	$38,913 + 35.5% of the amount over $151,650
over $297,350	$90,637 + 39.1% of the amount over $297,350

Source: IRS Revenue Procedure 2001-13.

Table 22. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 2000

Personal Exemption:	$2,800
Personal exemption began to phase out at a rate of 2% for every $2,500 a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$193,400
Single	$128,950
Head of Household	$161,150
Standard Deduction:	
Joint	$7,350
Single	$4,400
Head of Household	$6,450
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$850
Single/Head of Household	$1,100

Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$128,950 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 2000	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $43,850	15% of the amount over $0
over $43,850 to $105,950	$6,578 + 28% of the amount over $43,850
over $105,950 to $161,450	$23,966 + 31% of the amount over $105,950
over $161,450 to $288,350	$41,171 + 36% of the amount over $161,450
over $288,350	$86,855 + 39.6% of the amount over $288,350
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $26,250	15% of the amount over $0
over $26,250 to $63,550	$3,938 + 28% of the amount over $26,250
over $63,550 to $132,600	$14,382 + 31% of the amount over $63,550
over $132,600 to $288,350	$35,787 + 36% of the amount over $132,600
over $288,350	$91,857 + 39.6% of the amount over $288,350
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $35,150	15% of the amount over $0
over $35,150 to $90,800	$5,273 + 28% of the amount over $35,150
over $90,800 to $147,050	$20,855 + 31% of the amount over $90,800
over $147,050 to $288,350	$38,292 + 36% of the amount over $147,050
over $288,350	$89,160 + 39.6% of the amount over $288,350

Source: IRS Revenue Procedure 99-42.

Table 23. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1999

Personal Exemption:	$2,750
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	

Joint	$189,950
Single	$126,600
Head of Household	$158,300
Standard Deduction:	
Joint	$7,200
Single	$4,300
Head of Household	$6,350
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$850
Single/Head of Household	$1,050
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$126,600 (for all filers except married persons filing separately)

Statutory Marginal Income Tax Rates, 1999	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $43,050	15% of the amount over $0
over $43,050 to $104,050	$6,458 + 28% of the amount over $43,050
over $104,050 to $158,550	$23,538 + 31% of the amount over $104,050
over $158,550 to $283,150	$40,433 + 36% of the amount over $158,550
over $283,150	$85,289 + 39.6% of the amount over $283,150
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $25,750	15% of the amount over $0
over $25,750 to $62,450	$3,863 + 28% of the amount over $25,750
over $62,450 to $130,250	$14,139 + 31% of the amount over $62,450
over $130,250 to $283,150	$35,157 + 36% of the amount over $130,250
over $283,150	$90,201 + 39.6% of the amount over $283,150
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $34,550	15% of the amount over $0
over $34,550 to $89,150	$5,183 + 28% of the amount over $34,550
over $89,150 to $144,400	$20,471 + 31% of the amount over $89,150
over $144,400 to $283,150	$37,598 + 36% of the amount over $144,440

over $283,150	$87,548 + 39.6% of the amount over $283,150

Source: IRS Revenue Procedure 98-61.

Table 24. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1998

Personal Exemption:	$2,700
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$186,800
Single	$124,500
Head of Household	$155,650
Standard Deduction:	
Joint	$7,100
Single	$4,250
Head of Household	$6,250
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$850
Single/Head of Household	$1,050
Limitation on Itemized Deductions:	$124,500
If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, casualty and theft losses, and investment interest were exempt from the limit.	(for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1998	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $42,350	15% of the amount over $0
over $42,350 to $102,300	$6,353 + 28% of the amount over $42,350
over $102,300 to $155,950	$23,139 + 31% of the amount over $102,300
over $155,950 to $278,450	$39,770 + 36% of the amount over $155,950
over $278,450	$83,870 + 39.6% of the amount over $278,450
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $25,350	15% of the amount over $0
over $25,350 to $61,400	$3,803 + 28% of the amount over $25,350
over $61,400 to $128,100	$13,897 + 31% of the amount over $61,400

over $128,100 to $278,450	$34,574 + 36% of the amount over $128,100
over $278,450	$88,700 + 39.6% of the amount over $278,450
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $33,950	15% of the amount over $0
over $33,950 to $87,700	$5,093 + 28% of the amount over $33,950
over $87,700 to $142,000	$20,143 + 31% of the amount over $87,700
over $142,000 to $278,450	$36,976+ 36% of the amount over $142,000
over $278,450	$86,098 + 39.6% of the amount over $278,450

Source: IRS Revenue Procedure 97-57.

Table 25. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1997

Personal Exemption:	$2,650
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$181,800
Single	$121,200
Head of Household	$151,500
Standard Deduction:	
Joint	$6,900
Single	$4,150
Head of Household	$6,050
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$800
Single/Head of Household	$1,000
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount:	$121,200 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1997	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $41,200	15% of the amount over $0
over $41,200 to $99,600	$6,180 + 28% of the amount over $41,200
over $99,600 to $151,750	$22,532 + 31% of the amount over $99,600
over $151,750 to $271,050	$38,699 + 36% of the amount over $151,750

over $271,050	$81,647 + 39.6% of the amount over $271,050
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $ 24,650	15% of the amount over $0
over $24,650 to $ 59,750	$3,698 + 28% of the amount over $24,650
over $59,750 to $ 124,650	$13,526 + 31% of the amount over $59,750
over $124,650 to $ 271,050	$33,645 + 36% of the amount over $124,650
over $271,050	$86,349 + 39.6% of the amount over $271,050
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $33,050	15% of the amount over $0
over $33,050 to $83,350	$4,958 + 28% of the amount over $33,050
over $83,350 to $138,200	$19,602 + 31% of the amount over $85,350
over $138,200 to $271,050	$35,986 + 36% of the amount over $138,200
over $271,050	$83,812 + 39.6% of the amount over $271,050

Source: IRS Revenue Procedure 96-63.

Table 26. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1996

Personal Exemption:	$2,550
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$176,950
Single	$117,950
Head of Household	$147,450
Standard Deduction:	
Joint	$6,700
Single	$4,000
Head of Household	$5,900
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$800
Single/Head of Household	$1,000

Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, casualty and theft losses, and investment interest were exempt from the limit.	$117,950 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1996	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $40,100	15% of the amount over $0
over $40,100 to $96,900	$6,015 + 28% of the amount over $40,100
over $96,900 to $147,700	$21,919 + 31% of the amount over $96,900
over $147,700 to $263,750	$37,667 + 36% of the amount over $147,700
over $263,750	$79,445 + 39.6% of the amount over $263,750
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $24,000	15% of the amount over $0
over $24,000 to $58,150	$3,600 + 28% of the amount over $24,000
over $58,150 to $121,300	$13,162 + 31% of the amount over $58,150
over $121,300 to $263,750	$32,739 + 36% of the amount over $121,300
over $263,750	$84,021 + 39.6% of the amount over $263,750
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $32,150	15% of the amount over $0
over $32,150 to $83,050	$4,823 + 28% of the amount over $32,150
over $83,050 to $134,500	$19,075 + 31% of the amount over $83,050
over $134,500 to $263,750	$35,025 + 36% of the amount over $134,500
over $263,750	$81,555 + 39.6% of the amount over $263,750

Source: IRS Revenue Procedure 95-53.

Table 27. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions. Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1995

Personal Exemption:	$2,500
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	

Joint	$172,050
Single	$114,700
Head of Household	$143,350
Standard Deduction:	
Joint	$6,550
Single	$3,900
Head of Household	$5,750
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$750
Single/Head of Household	$950
Limitation on Itemized Deductions: If an individual's adjusted gross income was greater than this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$114,700 ($57,350 for married persons filing separately)

Statutory Marginal Income Tax Rates, 1995	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $39,000	15% of the amount over $0
over $39,000 to $94,250	$5,850 + 28% of the amount over $39,000
over $94,250 to $143,600	$21,320 + 31% of the amount over $94,250
over $143,600 to $256,500	$36,619 + 36% of the amount over $143,600
over $256,500	$77,263 + 39.6% of the amount over $256,500
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $23,350	15% of the amount over $0
over $23,350 to $56,550	$3,503 + 28% of the amount over $23,350
over $56,550 to $117,950	$12,799 + 31% of the amount over $56,550
over $117,950 to $256,500	$31,833 + 36% of the amount over $117,950
over $256,500	$81,711 + 39.6% of the amount over $256,500
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $31,250	15% of the amount over $0
over $31,250 to $80,750	$4,688 + 28% of the amount over $31,250
over $80,750 to $130,800	$18,548 + 31% of the amount over $80,750

over $130,800 to $256,500	$34,063 + 36% of the amount over $130,800
over $256,500	$79,315 + 39.6% of the amount over $256,500

Source: IRS Revenue Procedure 94-72.

Table 28. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1994

Personal Exemption:	$2,450
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$167,700
Single	$111,800
Head of Household	$139,750
Standard Deduction:	
Joint	$6,350
Single	$3,800
Head of Household	$5,600
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$750
Single/Head of Household	$950
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, casualty and theft losses, and investment interest were exempt from the limit.	$111,800 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1994	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $38,000	15% of the amount over $0
over $38,000 to $91,850	$5,700 + 28% of the amount over $38,000
over $91,850 to $140,000	$20,778 + 31% of the amount over $91,850
over $140,000 to $250,000	$35,705 + 36% of the amount over $140,000
over $250,000	$75,305 + 39.6% of the amount over $250,000
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $22,750	15% of the amount over $0
over $22,750 to $55,100	$3,413 + 28% of the amount over $22,750

over $55,100 to $115,000	$12,471 + 31% of the amount over $55,100
over $115,000 to $250,000	$31,040 + 36% of the amount over $115,000
over $250,000	$79,640 + 39.6% of the amount over $250,000
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $30,500	15% of the amount over $0
over $30,500 to $78,700	$4,575 + 28% of the amount over $30,500
over $78,700 to $127,500	$18,071 + 31% of the amount over $78,750
over $127,500 to $250,000	$33,199 + 36% of the amount over $127,500
over $250,000	$77,299 + 39.6% of the amount over $250,000

Source: IRS Revenue Procedure 93-49.

Table 29. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1993

Personal Exemption:	$2,350
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$162,700
Single	$108,450
Head of Household	$135,600
Standard Deduction:	
Joint	$6,200
Single	$3,700
Head of Household	$5,450
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$700
Single/Head of Household	$900
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, theft and casualty losses, and investment interest were exempt from the limit.	$108,450 (for all filers except married persons filing separately)

Statutory Marginal Income Tax Rates, 1993

Joint Returns

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

Single Returns

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

Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $29,600	15% of the amount over $0
over $29,600 to $76,400	$4,440 + 28% of the amount over $29,600
over $76,400 to $127,500	$17,544 + 31% of the amount over $76,400
over $127,500 to $250,000	$33,385 + 36% of the amount over $127,500
over $250,000	$77,485 + 39.6% of the amount over $250,000

Source: IRS Revenue Procedure 92-102.

Table 30. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1992

Personal Exemption:	$2,300
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$157,900
Single	$105,250
Head of Household	$131,550
Standard Deduction:	
Joint	$6,000
Single	$3,600
Head of Household	$5,250
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$700
Single/Head of Household	$900
Limitation on Itemized Deductions: If an individual's adjusted gross income (AGI) exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of 80% of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions medical expenses, casualty and theft losses, and investment interest were exempt from the limitations.	$105,250 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1992	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $35,800	15% of the amount over $0
over $35,800 to $86,500	$5,370 + 28% of the amount over $35,800
over $86,500	$19,566 + 31% of the amount over $86,500

Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $21,450	15% of the amount over $0
over $21,450 to $51,900	$3,218 + 28% of the amount over $21,450
over $51,900	$11,744 + 31% of the amount over $51,900
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $28,750	15% of the amount over $0
over $28,750 to $74,150	$4,313 + 28% of the amount over $28,750
over $74,150	$17,235 + 31% of the amount over $74,150

Source: IRS Revenue Procedure 91-65.

Table 31. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1991

Personal Exemption:	$2,150
Personal exemption began to phase out at a rate of 2% for every $2,500 that a taxpayer's adjusted gross income exceeded these amounts:	
Joint	$150,000
Single	$100,000
Head of Household	$125,000
Standard Deduction:	
Joint	$5,700
Single	$3,400
Head of Household	$5,000
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$650
Single/Head of Household	$850
Limitation on Itemized Deductions: If an individual's adjusted gross income exceeded this amount, the itemized deductions that could be claimed had to be reduced by the lesser of allowable itemized deductions, or 3% of the difference between the taxpayer's AGI and that amount. Deductions for medical expenses, casualty and theft losses, and investment interest were exempt from the limit.	$100,000 (for all filers except married persons filing separately)
Statutory Marginal Income Tax Rates, 1991	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $34,000	15% of the amount over $0
over $34,000 to $82,150	$5,100 + 28% of the amount over $34,000

over $82,150	$18,582 + 31% of the amount over $82,150
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $20,350	15% of the amount over $0
over $20,350 to $49,300	$3,052.50 + 28% of the amount over $20,350
over $49,300	$11,158.50 + 31% of the amount over $ 49,300
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $27,300	15% of the amount over $0
over $27,300 to $70,450	$4,095 + 28% of the amount over $27,300
over $70,450	$16,177 + 31% of the amount over $70,450

Source: IRS Revenue Procedure 90-64.

Table 32. Personal Exemption, Standard Deduction, and Statutory Marginal Tax Rates, 1990

Personal Exemption:	$2,050
Standard Deduction:	
Joint	$5,450
Single	$3,250
Head of Household	$4,750
Additional Standard Deductions for the Elderly or the Blind:	
Joint	$650
Single/Head of Household	$800
Statutory Marginal Income Tax Rates, 1990	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $32,450	15% of the amount over $0
over $32,450 to $78,400	$3,867.50 + 28% of the amount over $32,450
over $78,400 to $185,730[a]	$17,733.50 + 33% of the amount over $78,400
over $185,730	$53,152.40 + 28% of the amount over $185,730
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $19,450	15% of the amount over $0
over $19,450 to $47,050	$2,917.50 + 28% of the amount over $19,450
over $47,050 to $109,100[a]	$10,645.50 + 33% of the amount over $47,050
over $109,100	$31,122.00 + 28% of the amount over $109,100

Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $26,050	15% of the amount over $0
over $ 26,050 to $67,200	$3,907.50 + 28% of the amount over $26,050
over $67,200 to $157,890[a]	$15,429.50 + 33% of the amount over $67,200
over $157,890	$45,357.20 + 28% of the amount over $157,890

Source: IRS Revenue Procedure 90-7.

a. Implicit tax bracket, generated by the "tax bubble," as described in text. The bracket's upper bound depends on the number of exemptions claimed by the taxpayer. The example in this table assumes one exemption for single returns, two for the other statuses.

Table 33. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1989

Personal Exemption:	$2,000
Standard Deduction:	
Joint	$5,200
Single	$3,100
Head of Household	$4,550
Additional Standard Deduction for the Elderly or the Blind:	
Joint	$600
Single/Head of Household	$750
Statutory Marginal Income Tax Rates, 1989	
Joint Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $30,950	15% of the amount over $0
over $30,950 to $ 74,850	$4,642.50 + 28% of the amount over $30,950
over $ 74,850 to $177,720[a]	$16,934.50 + 33% of the amount over $74,850
over $177,720	$50,881.60 + 28% of the amount over $177,720
Single Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $18,550	15% of the amount over $0
over $18,550 to $ 44,900	$2,782.50 + 28% of the amount over $18,550
over $44,900 to $104,300[a]	$10,160.50 + 33% of the amount over $44,900
over $104,300	$29,772.40 + 28% of the amount over $104,300
Head-of-Household Returns	
If *taxable income* is:	Then, *tax* is:
$0 to $24,850	15% of the amount over $0
over $24,850 to $ 64,200	$ 3,727.50 + 28% of the amount over $ 24,850
over $64,200 to $151,210[a]	$14,745.50 + 33% of the amount over $ 64,200

over $151,210	$43,458.80 + 28% of the amount over $151,210

Source: IRS Revenue Procedure 88-56.

a. Implicit tax bracket, generated by the "tax bubble," as described in text. The bracket's upper bound depends on the number of exemptions claimed by the taxpayer. The example in this table assumes one exemption for single returns, two for the other statuses.

Table 34. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1988

Personal Exemption:		$1,950
Standard Deduction:		
Joint		$5,000
Single		$3,000
Head of Household		$4,400
Additional Standard Deduction for the Elderly or the Blind:		
Joint		$600
Single/Head of Household		$750
Statutory Marginal Income Tax Rates, 1988		
Joint Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $29,750		15% of the amount over $0
over $29,750 to $71,900		$4,462.50 + 28% of the amount over $29,750
over $71,900 to $171,090[a]		$16,264.50 + 33% of the amount over $71,900
over $171,090		$47,905.20 + 28% of the amount over $171,090
Single Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $17,850		15% of the amount over $0
over $17,850 to $43,150		$2,677.50 + 28% of the amount over $17,850
over $43,150 to $100,480[a]		$9,761.50 + 33% of the amount over $43,150
over $100,480		$28,134.40 + 28% of the amount over $100,480
Head-of-Household Returns		
If *taxable income* is:	Then, *tax* is:	
$0 to $23,900		15% of the amount over $0
over $23,900 to $61,650		$3,585 + 28% of the amount over $23,900
over $61,650 to $145,630[a]		$14,155 + 33% of the amount over $61,650
over $145,630		$40,776.40 + 28% of the amount over $145,630

Source: IRS Form 1040 Instructions, 1988.

a. Implicit tax bracket, generated by the "tax bubble," as described in text. The bracket's upper bound depends on the number of exemptions claimed by the taxpayer. The example in this table assumes one exemption for single returns, two for the other statuses.

Appendix. Brief Summary of Major Legislation Affecting Individual Statutory Rates Since 1986

Tax Reform Act of 1986

The current federal individual income tax is largely a product of the Tax Reform Act of 1986 (TRA86; P.L. 99-514). Among the many changes it made to the federal tax code, TRA86 simplified the individual income tax rate structure for tax years beginning in 1988 by replacing the 14 statutory rates from the 1985 and 1986 tax years with two such rates: 15% and 28%. **Table 34** shows key elements of the 1988 tax rate structure. These rates applied equally to capital income as well as to labor income.

In addition, TRA86 established a 5% surcharge on the taxable income of certain upper-income households. This surcharge effectively created a 33% statutory tax rate: a 28% statutory tax rate plus a 5% surcharge.

Because the surcharge phased in over a certain range of income and then phased out as income increased, statutory tax rates rose to 33% but then fell back to 28%, producing an income tax rate "bubble." The purpose of the surcharge was two-fold: (1) to prevent TRA86 from changing the distribution of the income tax burden among income groups, relative to pre-1986 tax law, and (2) to meet specific revenue targets.

More specifically, the surcharge erased the tax savings from the 15% tax bracket and the personal exemption for upper-income households. For joint returns in 1988, the phaseout of the 15% tax rate started when taxable income exceeded $71,900 and ended when it reached $149,250. For single returns, the 15% tax bracket phased out between $47,050 and $97,620. For heads of households, the phaseout occurred between $67,200 and $134,930.

The phaseout of the personal exemption started immediately after the phaseout of the 15% tax bracket and occurred sequentially for each exemption. This meant that the taxable income range over which the 5% surcharge offset personal exemptions 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 $149,250 and $171,090 ($149,250 plus two times $10,920). On a joint return with four personal exemptions, the 5% surcharge would apply to taxable income between $149,250 and $192,930 ($149,250 plus four times $10,920).

To illustrate how the 5% surcharge worked to "phase out" the tax benefits of the 15% tax bracket, consider the following example based on a joint return for 1988. The difference between taxing the first $29,750 of taxable income at 28% instead of 15% was $3,867.50 (obtained as $29,750 multiplied by 13%, the difference between 28% and 15%). Five percent of the difference between the upper and lower phaseout limits also equaled $3,867.50 ($149,250 less $71,900 multiplied by 5%). Hence, assessing the 5% surcharge on taxable income between $78,400 and $162,770 was equivalent to taxing the first $32,450 of taxable income at 28% rather than 15%.

Omnibus Budget Reconciliation Act of 1990

The Omnibus Budget Reconciliation Act of 1990 (OBRA90, P.L. 99-514) added a third statutory rate to the two rates from previous law. The rates were 15%, 28%, and 31% and applied to tax years beginning in 1991 and thereafter (see **Table 31**). OBRA90 eliminated the tax rate bubble created by TRA86, and replaced it with a limitation on itemized deductions (often referred to as the Pease limitation) and a different method for phasing out the personal exemption for upper-income households.

OBRA90 also reinstated separate tax rates for capital gains income. The act limited the tax on capital gains income to a maximum of 28%, starting in 1991. TRA86 had taxed capital gains as ordinary income, with a top effective rate of 33%.

OBRA90's limitation on itemized deductions was based on a taxpayer's adjusted gross income (AGI). From 1991 to 1995, allowable deductions were reduced by 3% of the amount by which a taxpayer's AGI exceeded $100,000 (or $50,000 in the case of married couples filing separate returns). For example, if a taxpayer's AGI in 1991 was $110,000, then her itemized deductions were reduced by $300 ($110,000 less $100,000 multiplied by .03). This provision effectively raised the marginal tax rate for affected taxpayers by approximately one percentage point. A dollar of income in excess of $100,000 was taxed as if it were $1.03, since in addition to the tax on an extra dollar of income, the taxpayer lost a tax deduction by giving up $0.03 of itemized deductions.

This limitation was scheduled to expire after 1995 but was later extended. 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.

OBRA90 phased out the tax benefits from the personal exemption for higher-income households. Each personal exemption was phased out by a factor of 2% for each $2,500 (or fraction thereof) by which a taxpayer's AGI exceeded a given threshold amount. In 1991, the threshold amounts were $150,000 for a joint return, $100,000 for a single return, and $125,000 for a head-of-household return. Starting in 1992, these amounts were indexed for inflation. The phaseout provision was also scheduled to expire at the end of 1995.

A simple example can illustrate how the personal exemption phaseout (PEP) increased affected taxpayers' tax burden. In 1991, a joint household whose AGI was $183,000 would have lost 28% of their total personal exemptions. The AGI amount in excess of the threshold in this instance would have been $33,000, or $183,000 (AGI) minus the $150,000 threshold limit. The $33,000 excess, divided by $2,500, would have produced a factor of 13.2, which would have been rounded up to 14. This figure, multiplied by 2%, would have resulted in the final disallowance rate of 28%. Hence, if the family had claimed two personal exemptions, which at $2,150 each would have totaled $4,300, it would have been allowed to deduct $3,096 ($4,300 total personal exemptions less the $1,204 disallowance, which is 28% of the total).

Omnibus Budget Reconciliation Act of 1993

The Omnibus Budget Reconciliation Act of 1993 (OBRA93, P.L. 103-66) made several changes in the individual marginal income tax rate structure. It added two new marginal tax rates: 36% and 39.6%. The 39.6% rate was the result of adding a 10% surtax to the 36% rate for taxpayers with taxable incomes over $250,000 in 1993.

Although OBRA93 was enacted in August 1993, the new top two marginal rates were made effective retroactively to January 1, 1993. Affected taxpayers, however, were not assessed penalties for underpayment of 1993 taxes resulting from the retroactive rate increase. Taxpayers were also allowed to pay any additional 1993 taxes in three equal installments over two years.

OBRA93 delayed indexation of the new top income tax brackets for one year. Hence, the dollar amounts for the 36% and 39.6% tax brackets remained the same in 1993 and 1994.

Finally, OBRA93 made permanent both the Pease limitation and the PEP.

Economic Growth and Tax Relief Reconciliation Act of 2001

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA, P.L. 107-16) made several major changes to the marginal tax rate structure. Many of the act's provisions were set to phase in over several years, but subsequent legislation overrode the initial timeline. All EGTRRA provisions, as amended, were set to expire at the end of 2010.

First, the 2001 act created a new 10% bracket. It applied, beginning in 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. For tax year 2001, the act created a "rate reduction tax credit," mimicking the effects of the 10% tax rate bracket for most taxpayers.[14] EGTRRA gradually expanded the bracket from 2003 to 2007.

Second, the 2001 act gradually reduced the top four marginal income tax rates. Under prior law, the top four marginal tax rates were 28%, 31%, 36%, and 39.6%. When its provisions were fully phased in, the 2001 act reduced the top four marginal income tax rates to 25%, 28%, 33%, and 35%. The reductions were scheduled to phase in between 2001 and 2006; subsequent legislation accelerated their phase-in schedule.

Third, EGTRRA repealed the limitation on itemized deductions and personal exemptions for high-income taxpayers. The repeal was phased in between 2006 and 2009. The limitation was completely repealed in 2010 but was scheduled to be reinstated in 2011, when EGTRRA's tax cuts were due to expire.

Fourth, some of the act's measures designed to reduce the marriage penalty affected the tax bracket structure. The act increased the income range of the 15% tax bracket for married couples filing joint returns to twice the income range of the 15% tax bracket for single returns. Under EGTRRA, this provision was scheduled to phase in from 2005 to 2008, but subsequent legislation sped up the phase-in. Under EGTRRA, the upper dollar limit of the 15% tax bracket for joint returns was set at 180% of the upper dollar limit of the 15% tax bracket for single returns in 2005, 187% of that limit in 2006, 193% of that limit in 2007, and 200% of that limit in 2008 and subsequent years.

Finally, the 2001 act increased the standard deduction for joint returns to twice the size of the standard deduction for single returns. Initially, the increase was scheduled to be phased in between 2005 to 2009, but subsequent laws accelerated the process. This had the effect of raising the lower income threshold of the lowest tax bracket for married taxpayers.

Jobs and Growth Tax Relief Reconciliation Act of 2003

The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA, P.L. 108-27) accelerated several changes to the individual income tax rate structure made by EGTRRA. It moved forward to 2003 the tax rate reductions, the expansion of the 10% tax bracket, and the widening of the 15% tax bracket for joint returns to make it double the 15% tax bracket for single returns. Under EGTRRA, some of these changes would not have been fully phased in until 2009.

JGTRRA also lowered the top tax rate for long-term capital gains and dividends to 15% and set a rate of 0% for certain low-income taxpayers.

[14] For more information see out-of-print CRS Report RS21171, *The Rate Reduction Tax Credit - "The Tax Rebate" - in the Economic Growth and Tax Relief Reconciliation Act of 2001: A Brief Explanation*, by Steven Maguire (available to congressional clients upon request).

Working Families Tax Relief Act of 2004

The Working Families Tax Relief Act of 2004 (WFTRA, P.L. 108-311) extended several tax provisions of JGTRRA that were scheduled to expire at the end of 2004. It extended the expansion of the 10% income tax bracket through 2007, at which point EGTRRA's provisions would be fully phased in.

WFTRA also extended EGTRRA's marriage penalty relief from 2005 to 2008. The standard deduction for a married couple filing jointly was set to be double the standard deduction for an unmarried single filer over that period. In addition, the act made the size of the 15% tax bracket for joint filers double that of the tax bracket for single filers from 2005 to 2007.

Tax Increase Prevention and Reconciliation Act of 2005

JGTRRA's reductions in tax rates for long-term capital gains and dividends were scheduled to expire at the end of 2008. The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA, P.L. 109-222) extended the reduced rates through 2010.

Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010

A last-minute agreement in 2010 between President Obama and congressional leaders from both parties cleared the way for another temporary extension of all the Bush-era tax cuts. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (TRUC, P.L. 111-312) extended the cuts through 2012, along with several other tax provisions from previous laws.[15]

American Taxpayer Relief Act of 2012

Facing a return of pre-EGTRRA statutory tax rates on January 1, 2013, Congress and President Obama agreed on legislation (the American Taxpayer Relief Act of 2012, P.L. 112-240) to permanently extend all of the individual income tax rate cuts enacted during the George W. Bush presidency, except for the top rate, which returned to 39.6%, its level at the start of Bush's first term.

The act also permanently extended the repeal of EGTRRA's phaseout of the personal exemption, but only for single filers with AGI of $250,000 or less ($300,000 or less for joint filers). Taxpayers with AGIs above these inflation-adjusted amounts were still subject to the phaseout. The same treatment applied to EGTRRA's repeal of the Pease limitation.

P.L. 115-97

Individual marginal income tax rates did not change again until the enactment of the 2017 tax revision, commonly referred to as the Tax Cuts and Jobs Act (TCJA, P.L. 115-97). The law changed a number of individual income tax provisions, including individual tax rates and the standard deduction. For tax years beginning in 2018 and ending before 2027, the individual

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[15] For example, see changes made to the earned income tax credit and the child tax credit by the American Recovery and Reinvestment Act (P.L. 111-5) that TRUC extended. For more information, see CRS Report R44825, *The Earned Income Tax Credit (EITC): A Brief Legislative History*, by Margot L. Crandall-Hollick, and CRS Report R45124, *The Child Tax Credit: Legislative History*, by Margot L. Crandall-Hollick.

income tax rate structure consists of seven brackets: 10%, 12%, 22%, 24%, 32%, 35%, and 37%. (The rates are scheduled to revert to their pre-2018 levels in 2026.)

For eligible individuals receiving income from pass-through businesses (i.e., partnerships, S corporations, and sole proprietorships), these temporary statutory rates can be further reduced by taking a new temporary deduction created by the 2017 tax revision. Section 199A of the federal tax code allows a pass-through business owner to deduct up to 20% of income from a qualified trade or business in determining her or his individual income tax liability.[16]

The 2017 tax revision also made the following temporary changes in the individual income tax from 2018 to 2025:

- It suspended the personal exemption.
- It increased the standard deduction for nonitemizers in 2018 to $24,000 for joint filers, $18,000 for head-of-household filers, and $12,000 for single filers and indexed each amount for inflation using the chained consumer price index for urban consumers.[17]
- It suspended the itemized deduction for miscellaneous expenses.
- It suspended the Pease limitation on itemized deductions for certain high-income taxpayers.

Author Information

Gary Guenther
Analyst in Public Finance

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[16] As a result of the adjustment, the effective individual tax rates for qualified passthrough business income are 8.0%, 9.6%, 17.6%, 19.2%, 25.6%, 28.0%, and 29.6% for the 2018 to 2025 tax years.

[17] In 2017, the standard deduction was $12,700 for joint filers, $9,350 for head-of-household filers, and $6,350 for single filers.