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# **Federal Individual Income Tax Brackets, Standard Deduction, and Personal Exemption: 1988 to 2024**

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# Federal Individual Income Tax Brackets, Standard Deduction, and Personal Exemption: 1988 to 2024

This report tracks changes in federal individual income tax brackets, the standard deduction, and the personal exemption since 1988. All three tax items have been indexed for inflation since 1981. The report also explains how tax provisions are adjusted for inflation. The table below shows the levels that will apply in 2024.

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 have been 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).

Seven statutory individual income tax rates are in effect from 2018 to 2025: 10%, 12%, 22%, 24%, 32%, 35%, and 37%. Starting in 2026, these rates will revert to their 2017 levels. Each rate applies to a different range of income, and that range constitutes a tax bracket. A taxpayer's tax liability is the sum total of the tax from each of the tax brackets his or her taxable income covers. This means that someone's average tax rate (i.e., total tax owed divided by total income) is less than her or his top marginal tax rate (i.e., the tax on an additional dollar of income); the marginal and average tax rates are the same (10%) for taxpayers subject to the lowest tax bracket. For example, if the federal income tax had no deductions, exemptions, exclusions, and credits, and Mary has a taxable income of \$20,000 and half of that amount is taxed at 10% and half at 15%, her tax liability would equal  $[(\$10,000 \times 0.10) + (\$10,000 \times 0.15)]$ , or \$2,500. Mary's average tax rate would be 12.5%, while her top marginal rate would be 15%.

Over 50 federal income tax provisions are indexed for inflation. These include the tax brackets, the personal exemption (which is unavailable until 2026 under current law), and the standard deduction. Indexation reduces the risk of *bracket creep*, which happens when someone's tax liability increases because of a larger increase in that taxpayer's nominal income than his or her real income. Until 2018, indexation of these items was based on annual changes in the Consumer Price Index for All Urban Consumers (CPI-U). Under P.L. 115-97, however, Congress permanently switched the inflation adjustment 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, 2024

<b>Personal Exemption and Phaseout Threshold:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$29,200
Single	\$14,600
Head of Household	\$21,900
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Individual	\$1,550
Individual who is unmarried and not a surviving spouse	\$1,950

<b>Limitation on Itemized Deductions:</b>		Suspended through the end of 2025
<b>Statutory Marginal Income Tax Rates, 2024</b>		
<b>Joint Returns</b>		
If taxable income is:	Then, tax is:	
\$0 to \$23,200		10% of the amount over \$0
over \$23,200 to \$94,300		\$2,320 + 12% of the amount over \$23,200
over \$94,300 to \$201,050		\$10,852 + 22% of the amount over \$94,300
over \$201,050 to \$383,900		\$34,337 + 24% of the amount over \$201,050
over \$383,900 to \$487,450		\$78,221 + 32% of the amount over \$383,900
over \$487,450 to \$731,200		\$111,357 + 35% of the amount over \$487,450
over \$731,200		\$196,669.50 + 37% of the amount over \$731,200
<b>Single Returns</b>		
If taxable income is:	Then, tax is:	
\$0 to \$11,000		10% of the amount over \$0
over \$11,000 to \$47,150		\$1,160 + 12% of the amount over \$11,000
over \$47,150 to \$100,525		\$5,426 + 22% of the amount over \$47,150
over \$100,525 to \$191,950		\$17,168.50 + 24% of the amount over \$100,525
over \$191,950 to \$243,725		\$39,110.50 + 32% of the amount over \$191,950
over \$243,375 to \$609,350		\$55,678.50 + 35% of the amount over \$231,250
over \$609,350		\$183,647.25 + 37% of the amount over \$609,350
<b>Head-of-Household Returns</b>		
If taxable income is:	Then, tax is:	
\$0 to \$16,550		10% of the amount over \$0
over \$16,550 to \$63,100		\$1,655 + 12% of the amount over \$16,550
over \$63,100 to \$100,500		\$7,241 + 22% of the amount over \$63,100
over \$100,500 to \$191,950		\$15,469 + 24% of the amount over \$100,500
over \$191,950 to \$243,700		\$37,417 + 32% of the amount over \$191,950
over \$243,700 to \$609,350		\$53,977 + 35% of the amount over \$243,700
over \$609,350		\$181,954.50 + 37% of the amount over \$609,350

**Source:** IRS Revenue Procedure 2023-34.

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## Introduction

U.S. citizens and residents are subject to a federal income tax on their worldwide income.<sup>1</sup> Their taxable income is equal to gross income from numerous sources (including wages, pass-through business profits, long-term capital gains, and dividends) less certain exclusions, exemptions, and deductions. An individual taxpayer's adjusted gross income (AGI) is determined by subtracting certain "above-the-line" deductions from gross income.<sup>2</sup> Taxable income is determined by reducing a taxpayer's AGI by the standard deduction or the sum of that person's itemized deductions, whichever amount is greater. Taxpayers who own a pass-through business (i.e., partnership, S corporation, limited liability company, or sole proprietorship) may 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 appropriate 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.<sup>3</sup> 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 provides a brief overview of the role these tax items play in calculating 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 also considers the rationale for indexing these elements for inflation and the current mechanism for doing so. It concludes with a year-by-year summary from 1988 to 2024 of the personal exemption and limitations on it, the standard deduction and limitations on itemized deductions, and statutory tax rates and brackets, through a series of tables.

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

## Overview of Key Individual Income Tax Items

### Tax Rates and Brackets

At the core of the federal individual income tax are the tax brackets. A bracket refers to an income tax rate and the range of taxable income to which the rate applies. All taxable income within a bracket is taxed at that rate. A taxpayer's tax liability before credits is the sum total of the tax within each bracket that applies to someone's taxable income. For example, assume that a single filer has a taxable income of \$20,000. The person's first \$10,000 would be taxed at 10% under current law, and the second \$10,000 would be taxed at 15%. Her tax liability is \$2,500:  $[(\$10,000 \times 0.1) + (\$10,000 \times 0.15)] = (\$1,000 + \$1,500) = \$2,500$ . Consequently, her average tax rate

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

(12.5%) is lower than her top marginal rate (15%).<sup>4</sup> Tax brackets are adjusted for inflation each year, and individual income tax rates are progressive, which means that the rate increases as a taxpayer's income goes up.

## Personal Exemption

Before 2018, each taxpayer was allowed to reduce gross income by a fixed amount (known as 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. The personal exemption is suspended from 2018 through 2025, but will be reinstated starting in 2026 if current tax law is not changed by then. 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 their itemized deductions, whichever amount is larger. The standard deduction varies by filing status and is indexed for inflation. In 2024, the standard deduction is \$14,600 for single filers and married persons filing separately, \$21,900 for a head of household, and \$29,200 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 2024, that amount is \$1,550 for each spouse among joint filers and \$1,950 for a single filer or head of household.

Instead of taking the standard deduction, a taxpayer may itemize certain deductions. In 2024, 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;<sup>5</sup> home mortgage interest paid on mortgage debt of \$750,000 or less;<sup>6</sup> eligible charitable contributions; certain investment interest; medical expenses above 7.5% of a taxpayer's AGI; and casualty and theft losses related to federally declared disasters in excess of both 10% of AGI and \$100 per loss.<sup>7</sup> Before 2018, taxpayers were also allowed a deduction for miscellaneous itemized expenses (e.g., certain job-related expenses not paid by an employer) above 2% of AGI, but P.L. 115-97 suspended the deduction from 2018 through 2025. Like the personal exemption, total itemized deductions began to phase out from 1991 to 2017 (except in 2010 to 2012) for higher-income taxpayers with income above a threshold amount, which varied by filing status.

## Inflation, Bracket Creep, and Indexation

Tax brackets, the personal exemption (which is 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 real income. Indexation was done with the Consumer Price Index for Urban Consumers (CPI-U) until 2018. Since then, the Chained CPI-U (C-CPI-U) is used to make inflation adjustments. Some maintain that the C-

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<sup>4</sup> 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.

<sup>5</sup> See CRS Report R46246, *The SALT Cap: Overview and Analysis*, by Grant A. Driessen and Joseph S. Hughes.

<sup>6</sup> For more information, see CRS In Focus IF11540, *The Mortgage Interest Deduction*, by Mark P. Keightley.

<sup>7</sup> See CRS Report R45864, *Tax Policy and Disaster Recovery*, by Molly F. Sherlock and Jennifer Teefy.

CPI-U provides a more accurate measure of the rate of price change for consumer products and services than the CPI-U.<sup>8</sup>

During periods of rising or relatively high inflation, an income tax based on tax brackets measured only in current (or nominal) dollars could lead to unintended tax increases. This can happen when nominal incomes rise faster than real incomes, pushing taxpayers into a higher tax bracket through a process known as *bracket creep*. The process can result in larger individual income tax burdens than lawmakers may have intended when they established the statutory rates. Without indexation of key income tax items, many taxpayers may have been affected by bracket creep for the 2022 tax year.

The effects of inflation on income tax liabilities can be considerable, even in periods of low inflation. For example, \$1,000 in October 1988 had the same buying power as \$2,560 in October 2023, using the CPI-U to adjust for inflation.<sup>9</sup> Year-to-year changes in general price levels did not exceed 3.4% between 1992 and 2020. But substantial rises in the U.S. inflation rate in 2021 and 2022 have led to a 7.0% increase in the income ranges for each tax bracket in 2023 (relative to 2022), and a 5.5% increase in 2024 (relative to 2023). Thus, individuals whose 2024 taxable income is 12.5% greater than their 2022 taxable income would be taxed at the same inflation-adjusted rate in 2022 and 2024. But if 2024 taxable income increases by less than 12.5% relative to 2022, a taxpayer would be taxed at a lower rate in 2024 than in 2022 if his or her 2024 taxable income falls within a lower income tax bracket.<sup>10</sup>

Congress added indexation to the federal income tax as a part of a package of statutory tax rate reductions included in the Economic Recovery Tax Act of 1981. The relatively high U.S. inflation rate then influenced congressional deliberations on the benefits of tax indexation.<sup>11</sup> 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.<sup>12</sup>

For tax years before 2018, the inflation adjustment reflected 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 items used the same base period.

Since 2018, a different price index has been used to adjust income tax items 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 argued that the CPI-U overstated rises in the cost of living because it did not account for changes consumers make in their buying patterns when the prices of certain items in a standard market basket move up or down by significant amounts. In their view, not accounting for

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<sup>8</sup> CRS Report R43347, *Budgetary and Distributional Effects of Adopting the Chained CPI*, by Donald J. Marples.

<sup>9</sup> Bureau of Labor Statistics, *CPI Inflation Calculator*, [http://www.bls.gov/data/inflation\\_calculator.htm/](http://www.bls.gov/data/inflation_calculator.htm/).

<sup>10</sup> For example, in 2023, incomes of single filers above \$578,125 will be taxed at 37%. In 2022, that rate applies to incomes above \$539,900, a difference of \$38,225. In 2023, that amount will be taxed at 35%, as it falls in the income range for that tax bracket.

<sup>11</sup> 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%.

<sup>12</sup> 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.

this substitution effect tended to overstate the impact of inflation on consumer behavior over time.

The C-CPI-U may be better at capturing changes in consumer spending patterns in response to price changes.<sup>13</sup> The index compares details about what a consumer bought in the period before a price change with details about what he or she buys in the period after the change. Using 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 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 December 2013 to December 2022, for example, the C-CPI-U rose 24%, compared to a 26% increase in the CPI-U.

Using the C-CPI-U to adjust income tax items for inflation raises the concern that bracket creep may occur more often than it would with the CPI-U. 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, assuming their taxable income increases faster than the C-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 estimated that the revenue gain from switching to the C-CPI-U would total \$134 billion from FY2018 to FY2027.<sup>14</sup>

Although indexing may make the calculation of the individual income tax more complicated, this effect is arguably a minor concern compared with indexing's benefits to taxpayers over time. The year-to-year changes in dollar amounts were relatively small from 1992 to 2020, perhaps concealing indexing's benefits. But now that the U.S. inflation rate in recent years has reached levels not experienced since the early 1980s, indexation is reducing the likelihood that taxpayers whose real income stayed the same between 2022 and 2024 will face large increases in their 2024 tax liability.

Since 1981, when Congress first authorized indexing of various individual income tax items for inflation, the list of indexed elements has expanded and now encompasses 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.

## Tax Tables from 1988 to 2024

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 2023 back to 1988.

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<sup>13</sup> 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.

<sup>14</sup> U.S. Congress, Joint Committee on Taxation, *General Explanation of P.L. 115-97, JCS-1-18* (Washington: GPO, 2018), p. 434.

**Table I. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2024**

<b>Personal Exemption and Phaseout Threshold:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$29,200
Single	\$14,600
Head of Household	\$21,900
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Individual	\$1,550
Individual who is unmarried and not a surviving spouse	\$1,950
<b>Limitation on Itemized Deductions:</b>	Suspended through the end of 2025
<b>Statutory Marginal Income Tax Rates, 2023</b>	
<b>Joint Returns</b>	
If taxable income is:	Then, tax is:
\$0 to \$23,200	10% of the amount over \$0
over \$23,200 to \$94,300	\$2,320 + 12% of the amount over \$23,200
over \$94,300 to \$201,050	\$10,852 + 22% of the amount over \$94,300
over \$201,050 to \$383,900	\$34,337 + 24% of the amount over \$201,050
over \$383,900 to \$487,450	\$78,221 + 32% of the amount over \$383,900
over \$487,450 to \$731,200	\$111,357 + 35% of the amount over \$487,450
over \$731,200	\$196,669.50 + 37% of the amount over \$731,200
<b>Single Returns</b>	
If taxable income is:	Then, tax is:
\$0 to \$11,600	10% of the amount over \$0
over \$11,600 to \$47,150	\$1,160 + 12% of the amount over \$11,600
over \$47,150 to \$100,525	\$5,426 + 22% of the amount over \$47,150
over \$100,525 to \$191,950	\$17,168.50 + 24% of the amount over \$100,525
over \$191,950 to \$243,725	\$39,110.50 + 32% of the amount over \$191,950
over \$243,725 to \$609,350	\$55,678.50 + 35% of the amount over \$243,725
over \$609,350	\$183,647.25 + 37% of the amount over \$609,350
<b>Head-of-Household Returns</b>	
If taxable income is:	Then, tax is:
\$0 to \$16,550	10% of the amount over \$0
over \$16,550 to \$63,100	\$1,655 + 12% of the amount over \$16,550
over \$63,100 to \$100,500	\$7,241 + 22% of the amount over \$63,100
over \$100,500 to \$191,950	\$15,469 + 24% of the amount over \$100,500

over \$191,950 to \$243,700	\$37,417 + 32% of the amount over \$191,950
over \$243,700 to \$609,350	\$53,997 + 35% of the amount over \$243,700
over \$609,350	\$181,954.50 + 37% of the amount over \$609,350

Source: IRS Revenue Procedure 2023-34.

**Table 2. Personal Exemptions, Standard Deductions, Limitations on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2023**

<b>Personal Exemption and Phaseout Threshold:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$27,700
Single	\$13,850
Head of Household	\$20,800
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Individual	\$1,500
Individual who is unmarried and not a surviving spouse	\$1,850
<b>Limitation on Itemized Deductions:</b>	Suspended through the end of 2025

**Statutory Marginal Income Tax Rates, 2023**

<b>Joint Returns</b>	
If taxable income is:	Then, tax is:
\$0 to \$22,000	10% of the amount over \$0
over \$22,000 to \$89,450	\$2,200 + 12% of the amount over \$22,000
over \$89,450 to \$190,750	\$10,294 + 22% of the amount over \$89,450
over \$190,750 to \$364,200	\$32,580 + 24% of the amount over \$190,750
over \$364,200 to \$462,500	\$74,208 + 32% of the amount over \$364,200
over \$462,500 to \$693,750	\$105,664 + 35% of the amount over \$462,500
over \$693,750	\$186,601 + 37% of the amount over \$693,750
<b>Single Returns</b>	
If taxable income is:	Then, tax is:
\$0 to \$11,000	10% of the amount over \$0
over \$11,000 to \$44,725	\$1,100 + 12% of the amount over \$11,000
over \$44,725 to \$95,375	\$5,147 + 22% of the amount over \$44,725
over \$95,375 to \$182,100	\$16,290 + 24% of the amount over \$95,375
over \$182,100 to \$231,250	\$37,104 + 32% of the amount over \$182,100
over \$231,250 to \$578,125	\$52,832 + 35% of the amount over \$231,250
over \$578,125	\$174,238.25 + 37% of the amount over \$578,125

Head-of-Household Returns	
If taxable income is:	Then, tax is:
\$0 to \$15,700	10% of the amount over \$0
over \$15,700 to \$59,850	\$1,570 + 12% of the amount over \$15,700
over \$59,850 to \$95,350	\$6,868 + 22% of the amount over \$59,850
over \$95,350 to \$182,100	\$14,678 + 24% of the amount over \$95,350
over \$182,100 to \$231,250	\$35,498 + 32% of the amount over \$182,100
over \$231,250 to \$578,100	\$51,226 + 35% of the amount over \$231,250
over \$578,100	\$172,623 + 37% of the amount over \$578,100

Source: IRS Revenue Procedure 2022-38.

**Table 3. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2022**

<b>Personal Exemption and Phaseout:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$25,900
Single	\$12,950
Head of Household	\$19,400
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,400
Single/Head of Household	\$1,750
<b>Limitation on Itemized Deductions:</b>	Suspended through the end of 2025

#### Statutory Marginal Income Tax Rates, 2022

Joint Returns	
If taxable income is:	Then, tax is:
\$0 to \$20,550	10% of the amount over \$0
over \$20,550 to \$83,550	\$2,055 + 12% of the amount over \$20,550
over \$83,550 to \$178,150	\$9,615 + 22% of the amount over \$83,550
over \$178,150 to \$340,100	\$30,427 + 24% of the amount over \$178,150
over \$340,100 to \$431,900	\$69,295 + 32% of the amount over \$340,100
over \$431,900 to \$647,850	\$98,671 + 35% of the amount over \$431,900
over \$647,850	\$174,253.50 + 37% of the amount over \$647,850
Single Returns	
If taxable income is:	Then, tax is:
\$0 to \$10,275	10% of the amount over \$0
over \$10,275 to \$41,775	\$1,027.50 + 12% of the amount over \$10,275
over \$41,775 to \$89,075	\$4,807.50 + 22% of the amount over \$41,775

over \$89,075 to \$170,050	\$15,213.50 + 24% of the amount over \$89,075
over \$170,050 to \$215,950	\$34,647.50 + 32% of the amount over \$170,050
over \$215,950 to \$539,900	\$49,335.50 + 35% of the amount over \$215,950
over \$539,900	\$162,718 + 37% of the amount over \$539,900

**Head-of-Household Returns**

If taxable income is:	Then, tax is:
\$0 to \$14,650	10% of the amount over \$0
over \$14,650 to \$55,900	\$1,465 + 12% of the amount over \$14,650
over \$55,900 to \$89,050	\$6,415 + 22% of the amount over \$55,900
over \$89,050 to \$170,050	\$13,708 + 24% of the amount over \$89,050
over \$170,050 to \$215,950	\$33,148 + 32% of the amount over \$170,050
over \$215,950 to \$539,900	\$47,836 + 35% of the amount over \$215,950
over \$539,900	\$161,218.50 + 37% of the amount over \$539,900

Source: IRS Revenue Procedure 2021-45.

**Table 4. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2021**

<b>Personal Exemption and Phaseout:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$25,100
Single	\$12,550
Head of Household	\$18,800
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,350
Single/Head of Household	\$1,700
<b>Limitation on Itemized Deductions:</b>	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

<b>Single Returns</b>	
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

<b>Head-of-Household Returns</b>	
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 5. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2020**

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

**Statutory Marginal Income Tax Rates, 2020**

<b>Joint Returns</b>	
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 6. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2019**

<b>Personal Exemption and Phaseout:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$24,400
Single	\$12,200
Head of Household	\$18,350
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,300
Single/Head of Household	\$1,650
<b>Limitation on Itemized Deductions:</b>	Suspended through the end of 2025

Statutory Marginal Income Tax Rates, 2019		
<b>Joint Returns</b>		
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
<b>Single Returns</b>		
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
<b>Head-of-Household Returns</b>		
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 7. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2018**

<b>Personal Exemption and Phaseout:</b>	\$0 (suspended through the end of 2025)
<b>Standard Deduction:</b>	
Joint	\$24,000
Single	\$12,000
Head of Household	\$18,000

<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,300
Single/Head of Household	\$1,600
<b>Limitation on Itemized Deductions:</b>	Suspended through the end of 2025

**Statutory Marginal Income Tax Rates, 2018**

<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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
<b>Head-of-Household Returns</b>	
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 8. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2017**

<b>Personal Exemption:</b>		\$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
<b>Standard Deduction:</b>		
Joint		\$12,700
Single		\$6,350
Head of Household		\$9,350
<b>Additional Standard Deduction for the Elderly or the Blind:</b>		
Joint (each spouse)		\$1,250
Single/Head of Household		\$1,550
<b>Limitation on Itemized Deductions:</b>		
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
<b>Statutory Marginal Income Tax Rates, 2017</b>		
<b>Joint Returns</b>		
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
<b>Single Returns</b>		
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 9. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2016**

<b>Personal Exemption:</b>	\$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	285,350
Single	\$259,400
<b>Standard Deduction:</b>	
Joint	\$12,600
Single	\$6,300
Head of Household	\$9,300
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,250
Single/Head of Household	\$1,550
<b>Limitation on Itemized Deductions:</b>	
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 10. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2015**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$12,600
Single	\$6,300
Head of Household	\$9,250
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,250
Single/Head of Household	\$1,550
<b>Limitation on Itemized Deductions:</b>	
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
<b>Statutory Marginal Income Tax Rates, 2015</b>	
<b>Joint Returns</b>	
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 \$18,450
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
<b>Single Returns</b>	
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 11. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2014**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$12,400
Single	\$6,200
Head of Household	\$9,100
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,200
Single/Head of Household	\$1,500
<b>Limitation on Itemized Deductions:</b>	
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

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**Statutory Marginal Income Tax Rates, 2014**


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**Joint Returns**


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If taxable income is:	Then, tax is:
\$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

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**Single Returns**


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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

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**Head-of-Household Returns**


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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

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**Source:** IRS Revenue Procedure 2013-35.

**Table 12. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2013**

<b>Personal Exemption</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$12,200
Single	\$6,100
Head of Household	\$8,950
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,200
Single/Head of Household	\$1,500
<b>Limitation on Itemized Deductions:</b>	
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
<b>Statutory Marginal Income Tax Rates, 2013</b>	
<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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 13. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2012**

<b>Personal Exemption</b>	\$3,800
Phaseout of personal exemption:	Ended on Dec. 31, 2009
<b>Standard Deduction:</b>	
Joint	\$11,900
Single	\$5,950
Head of Household	\$8,700
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,150
Single/Head of Household	\$1,450
<b>Limitation on itemized deductions:</b>	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 14. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2011**

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

<b>Single Returns</b>	
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
<b>Head-of-Household Returns</b>	
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 15. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2010**

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

**Statutory Marginal Income Tax Rates, 2010**

<b>Joint Returns</b>	
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 16. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2009**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$11,400
Single	\$5,700
Head of Household	\$8,350
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,100
Single/Head of Household	\$1,400

<b>Limitation on itemized deductions:</b>	<b>\$166,800</b>
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 \$16,700 to \$67,900	\$1,670 + 15% of the amount over \$16,700
over \$67,900 to \$137,050	\$9,350 + 25% of the amount over \$67,900
over \$137,050 to \$208,850	\$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 17. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2008**

<b>Personal Exemption</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$10,900
Single	\$5,450
Head of Household	\$8,000
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,050
Single/Head of Household	\$1,350
<b>Limitation on itemized deductions:</b>	\$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)
<b>Statutory Marginal Income Tax Rates, 2008</b>	
<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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

<b>Head-of-Household Returns</b>	
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 18. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2007**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$10,700
Single	\$5,350
Head of Household	\$7,850
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,050
Single/Head of Household	\$1,300
<b>Limitation on itemized deductions:</b>	\$156,400
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, 2007**

<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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
<b>Head-of-Household Returns</b>	
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 19. Personal Exemptions, Standard Deductions, Limitation on Itemized Deductions, Personal Exemption Phaseout Thresholds, and Statutory Marginal Tax Rates, 2006**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$10,300
Single	\$5,150
Head of Household	\$7,550
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint (each spouse)	\$1,000
Single/Head of Household	\$1,250

**Limitation on itemized deductions:** \$150,500  
 (for all filers except married persons filing separately)

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.

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

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$10,000
Single	\$5,000
Head of Household	\$7,300
<b>Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:</b>	
Joint (each spouse)	\$1,000
Single/Head of Household	\$1,250

**Limitation on Itemized Deductions:** \$145,950 (for all filers except married persons filing separately)

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.

#### 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 21. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of the Personal Exemption, and Statutory Marginal Tax Rates, 2004**

<b>Personal Exemption:</b>	\$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
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<b>Standard Deduction:</b>	
Joint	\$9,700
Single	\$4,850
Head of Household	\$7,150
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<b>Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:</b>	
Joint	\$950
Single/Head of Household	\$1,200
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<b>Limitation on Itemized Deductions:</b>	\$142,700 (for all filers except married persons filing separately)
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.	

**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 22. 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)

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$9,500
Single	\$4,750
Head of Household	\$7,000
<b>Additional Standard Deductions for the Elderly or the Blind and Limitation on Itemized Deductions:</b>	
Joint	\$950

Single/Head of Household	\$1,150
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**Limitation on Itemized Deductions:** \$139,500

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

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$7,850
Single	\$4,700
Head of Household	\$6,900
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$900
Single/Head of Household	\$1,150
<b>Limitation on Itemized Deductions:</b>	\$137,300
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)
<b>Statutory Marginal Tax Rates, 2002</b>	
<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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 24. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 2001**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$7,600
Single	\$4,550
Head of Household	\$6,650
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$900
Single/Head of Household	\$1,100
<b>Limitation on Itemized Deductions:</b>	\$132,950
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.	
	(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 25. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 2000**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$7,350
Single	\$4,400
Head of Household	\$6,450
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$850
Single/Head of Household	\$1,100

<b>Limitation on Itemized Deductions:</b>	\$128,950
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.	(for all filers except married persons filing separately)

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### Statutory Marginal Income Tax Rates, 2000

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#### 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 26. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1999**

<b>Personal Exemption:</b>	\$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
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**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:**

\$126,600

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.

(for all filers except married persons filing separately)

**Statutory Marginal Income Tax Rates, 1999**

**Joint Returns**

If <i>taxable income</i> is:	Then, <i>tax</i> 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 <i>taxable income</i> is:	Then, <i>tax</i> 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 <i>taxable income</i> is:	Then, <i>tax</i> 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 \$144,400
over \$283,150		\$87,548 + 39.6% of the amount over \$283,150

**Source:** IRS Revenue Procedure 98-61.

**Table 27. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1998**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$7,100
Single	\$4,250
Head of Household	\$6,250
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$850
Single/Head of Household	\$1,050
<b>Limitation on Itemized Deductions:</b>	\$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.	
<b>Statutory Marginal Income Tax Rates, 1998</b>	
<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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

<b>Head-of-Household Returns</b>	
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 28. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1997**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$6,900
Single	\$4,150
Head of Household	\$6,050
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$800
Single/Head of Household	\$1,000
<b>Limitation on Itemized Deductions:</b>	\$121,200
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: (for all filers except married persons filing separately)	
<b>Statutory Marginal Income Tax Rates, 1997</b>	
<b>Joint Returns</b>	
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

<b>Single Returns</b>	
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
<b>Head-of-Household Returns</b>	
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 \$83,350
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 29. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1996**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$6,700
Single	\$4,000
Head of Household	\$5,900
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$800
Single/Head of Household	\$1,000
<b>Limitation on Itemized Deductions:</b>	\$117,950
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, 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 30. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions. Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1995**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
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:** \$114,700

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. (\$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 31. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1994**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$6,350
Single	\$3,800
Head of Household	\$5,600
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$750
Single/Head of Household	\$950
<b>Limitation on Itemized Deductions:</b>	\$111,800
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)	
<b>Statutory Marginal Income Tax Rates, 1994</b>	
<b>Joint Returns</b>	
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
<b>Single Returns</b>	
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

<b>Head-of-Household Returns</b>	
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 32. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1993**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$6,200
Single	\$3,700
Head of Household	\$5,450
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$700
Single/Head of Household	\$900
<b>Limitation on Itemized Deductions:</b>	\$108,450
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.	
	(for all filers except married persons filing separately)

**Statutory Marginal Income Tax Rates, 1993**

<b>Joint Returns</b>	
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

<b>Single Returns</b>	
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
<b>Head-of-Household Returns</b>	
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 33. Personal Exemption, Standard Deduction, Limitation on Itemized Deductions, Phaseout of Personal Exemption, and Statutory Marginal Tax Rates, 1992**

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$6,000
Single	\$3,600
Head of Household	\$5,250
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$700
Single/Head of Household	\$900

<b>Limitation on Itemized Deductions:</b>	\$105,250 (for all filers except married persons filing separately)
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.	

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

<b>Personal Exemption:</b>	\$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
<b>Standard Deduction:</b>	
Joint	\$5,700
Single	\$3,400
Head of Household	\$5,000

<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$650
Single/Head of Household	\$850

<b>Limitation on Itemized Deductions:</b>	\$100,000 (for all filers except married persons filing separately)
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.	

### 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 35. Personal Exemption, Standard Deduction, and Statutory Marginal Tax Rates, 1990**

<b>Personal Exemption:</b>	\$2,050
<b>Standard Deduction:</b>	
Joint	\$5,450
Single	\$3,250
Head of Household	\$4,750
<b>Additional Standard Deductions for the Elderly or the Blind:</b>	
Joint	\$650
Single/Head of Household	\$800

<b>Statutory Marginal Income Tax Rates, 1990</b>		
<b>Joint Returns</b>		
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 <sup>a</sup>	\$17,733.50 + 33% of the amount over \$78,400	
over \$185,730	\$53,152.40 + 28% of the amount over \$185,730	
<b>Single Returns</b>		
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 <sup>a</sup>	\$10,645.50 + 33% of the amount over \$47,050	
over \$109,100	\$31,122.00 + 28% of the amount over \$109,100	
<b>Head-of-Household Returns</b>		
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 <sup>a</sup>	\$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 36. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1989**

<b>Personal Exemption:</b>	\$2,000
<b>Standard Deduction:</b>	
Joint	\$5,200
Single	\$3,100
Head of Household	\$4,550
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
Joint	\$600
Single/Head of Household	\$750
<b>Statutory Marginal Income Tax Rates, 1989</b>	
<b>Joint Returns</b>	
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 <sup>a</sup>	\$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 <sup>a</sup>	\$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 <sup>a</sup>	\$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 37. Personal Exemptions, Standard Deductions, and Statutory Marginal Tax Rates, 1988**

<b>Personal Exemption:</b>	\$1,950
<b>Standard Deduction:</b>	
Joint	\$5,000
Single	\$3,000
Head of Household	\$4,400
<b>Additional Standard Deduction for the Elderly or the Blind:</b>	
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 <sup>a</sup>	\$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 <sup>a</sup>	$\$9,761.50 + 33\%$ of the amount over \$43,150
over \$100,480	$\$28,134.40 + 28\%$ of the amount over \$100,480

**Head-of-Household Returns**

If <i>taxable income</i> is:	Then, <i>tax</i> 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 <sup>a</sup>		$\$14,155 + 33\%$ 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 37** 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 34**). 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.<sup>15</sup> 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.

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<sup>15</sup> For more information see archived 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.

## 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.<sup>16</sup>

## 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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<sup>16</sup> 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): 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.<sup>17</sup>

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.<sup>18</sup>
- It suspended the itemized deduction for miscellaneous expenses.
- It suspended the Pease limitation on itemized deductions for certain high-income taxpayers.

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<sup>17</sup> 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.

<sup>18</sup> In 2017, the standard deduction was \$12,700 for joint filers, \$9,350 for head-of-household filers, and \$6,350 for single filers.