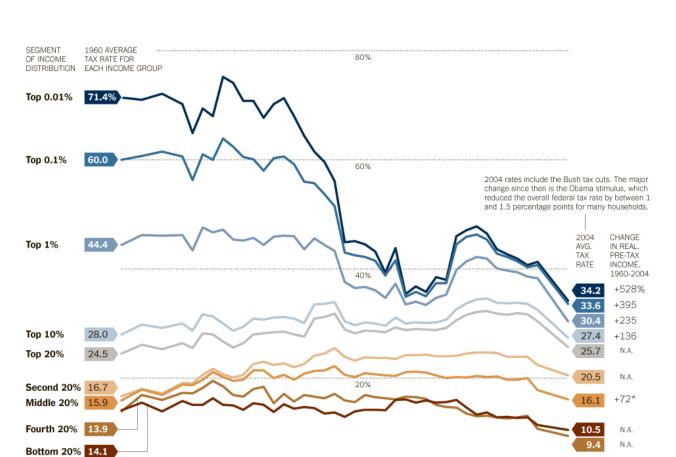
Whose Tax Rates Rose or Fell

Change in total federal tax rate — which includes income, payroll, estate and other taxes — for income groups from 1960 to 2004, the most recent data available.

1960

1970



1980

1990

100%

*Figure is the change in median family income from 1960 to 2004.

2000

Who Gains Most From Tax Breaks

Dividends, capital The five largest kinds of tax breaks in 2011, broken down gains taxed at lower by the the distribution of benefits to various income groups: rates than wages Itemized deductions Mortgage interest, charitable \$78 BILLION contributions, some state and local taxes, medical expenses. Exclusions Capital gains on home sales, interest Misc. 55.5% on tax-exempt bonds, workers' compensation \$147 BILLION provisions benefits, income earned abroad, employer health INCOME GROUPS \$66 BILLION insurance, tax-deferred I.R.A.'s and other items. AND INCOME 13.3% AMOUNTS SEPARATING \$526 BILLION COST TO TREASURY IN 2011 17.9% EACH GROUP Top 0.1% received 6.3% of all exclusions \$2,468,468 THE TOP 20% OF TAXPAYERS Next 0.9% received 9.6% 14.2 54.9 \$545,727 ... Refundable credits Child, earned 42.0 income and American Next 19% received 50.7% opportunity credits. 21.0 \$122 BILLION 6.8% - \$106,552 -14.2 14.1 14.0 THE BOTTOM 80% Second 20% received 14.8% 2.8 0.9-\$62,899 ... 3.8 8.0 20.4 0.2 Middle 20% received 11.2% 0.7 \$36,171 ... 3.4 received 6.8% Fourth 20% \$17,543 -0.4-38.6 Bottom 20% received 0.7% — 19.7