

Average After-Tax Income for All Households, by Household Income Category, 1979-2006

Year	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile	All Quintiles	Top 10%	Top 5%	Top 1%
Average Income (2006 dollars)									
<i>After-Tax Income</i>									
1979	14,900	30,100	42,900	56,100	98,900	47,900	125,200	164,900	337,100
1980	14,300	29,000	41,400	54,300	96,000	46,400	122,000	159,500	329,800
1981	13,900	28,400	40,600	54,100	95,700	46,100	121,800	159,800	341,400
1982	13,500	28,000	40,400	54,400	99,000	46,900	127,900	171,200	377,900
1983	12,900	27,000	39,900	54,400	103,100	47,400	134,900	181,300	413,100
1984	13,200	28,300	41,300	56,500	109,700	49,200	145,200	197,500	451,700
1985	13,300	28,300	42,000	57,000	113,000	50,500	151,000	207,400	493,400
1986	13,400	29,100	43,000	59,100	127,900	54,200	175,800	252,300	655,500
1987	13,300	28,200	42,900	59,400	117,200	51,800	155,700	212,200	489,300
1988	13,600	28,700	43,400	59,800	126,500	54,000	172,200	243,500	629,800
1989	14,100	29,300	43,900	60,600	126,400	54,700	171,400	239,500	592,900
1990	14,400	29,800	43,800	59,700	122,900	54,000	165,600	230,300	569,800
1991	14,400	29,500	43,200	59,200	118,200	52,700	157,200	214,400	505,700
1992	14,200	29,500	43,600	60,000	123,100	54,100	165,700	231,000	567,600
1993	14,500	29,800	43,900	60,400	121,200	53,900	160,600	218,900	514,800
1994	14,700	30,100	44,200	61,400	122,600	54,400	163,200	223,200	520,300
1995	15,500	31,500	45,500	62,200	127,600	56,300	170,400	237,800	570,200
1996	15,300	31,400	46,000	63,400	133,600	58,000	181,500	254,100	630,200
1997	15,700	31,900	46,700	64,500	141,700	60,200	196,000	281,700	734,800
1998	16,400	33,600	48,200	67,100	151,100	63,400	212,100	310,800	844,300
1999	16,900	34,300	49,200	68,700	159,200	65,800	224,500	329,600	917,800
2000	16,000	33,900	49,000	69,300	165,600	66,800	235,900	350,700	1,010,100
2001	16,100	34,700	50,500	69,700	152,500	64,400	210,800	302,600	801,700
2002	15,700	33,900	49,600	68,700	146,300	62,200	198,900	278,800	710,300
2003	15,500	34,000	49,900	70,000	153,300	63,800	210,500	299,100	771,100
2004	15,600	34,600	51,500	72,200	165,600	67,100	231,800	336,800	920,800
2005	15,900	35,000	51,800	72,800	178,100	69,900	254,800	382,400	1,104,600
2006	16,500	35,400	52,100	73,800	184,400	71,900	265,500	400,400	1,200,300

Source: Congressional Budget Office.

Notes: Effective tax rates are calculated by dividing taxes by comprehensive household income.

Comprehensive household income equals pretax cash income plus income from other sources. Pretax cash income is the sum of wages, salaries, self-employment income, rents, taxable and nontaxable interest, dividends, realized capital gains, cash transfer payments, and retirement benefits plus taxes paid by businesses (corporate income taxes and the employer's share of Social Security, Medicare, and federal unemployment insurance payroll taxes) and employee contributions to 401(k) retirement plans. Other sources of income include all in-kind benefits (Medicare, Medicaid, employer-paid health insurance premiums, food stamps, school lunches and breakfasts, housing assistance, and energy assistance).

Income categories are defined by ranking all people by their comprehensive household income adjusted for household size—that is, divided by the square root of the household's size. (A household consists of the people who share a housing unit, regardless of their relationships.) Quintiles, or fifths, contain equal numbers of people. Households with negative income (business or investment losses larger than other income) are excluded from the lowest income category but are included in totals.

Individual income taxes are attributed directly to households paying those taxes. Social insurance, or payroll, taxes are attributed to households paying those taxes directly or paying them indirectly through their employers. Corporate income taxes are attributed to households according to their share of capital income. Federal excise taxes are attributed to them according to their consumption of the taxed good or service.