

26-Oct-09

### Historical Highest Marginal Income Tax Rates

| Year | Top Marginal Rate | Year | Top Marginal Rate | Year | Top Marginal Rate |
|------|-------------------|------|-------------------|------|-------------------|
| 1913 | 7.0%              | 1946 | 86.45%            | 1979 | 70.00%            |
| 1914 | 7.0%              | 1947 | 86.45%            | 1980 | 70.00%            |
| 1915 | 7.0%              | 1948 | 82.13%            | 1981 | 69.13%            |
| 1916 | 15.0%             | 1949 | 82.13%            | 1982 | 50.00%            |
| 1917 | 67.0%             | 1950 | 91.00%            | 1983 | 50.00%            |
| 1918 | 77.0%             | 1951 | 91.00%            | 1984 | 50.00%            |
| 1919 | 73.0%             | 1952 | 92.00%            | 1985 | 50.00%            |
| 1920 | 73.0%             | 1953 | 92.00%            | 1986 | 50.00%            |
| 1921 | 73.0%             | 1954 | 91.00%            | 1987 | 38.50%            |
| 1922 | 56.0%             | 1955 | 91.00%            | 1988 | 28.00%            |
| 1923 | 56.0%             | 1956 | 91.00%            | 1989 | 28.00%            |
| 1924 | 46.0%             | 1957 | 91.00%            | 1990 | 31.00%            |
| 1925 | 25.0%             | 1958 | 91.00%            | 1991 | 31.00%            |
| 1926 | 25.0%             | 1959 | 91.00%            | 1992 | 31.00%            |
| 1927 | 25.0%             | 1960 | 91.00%            | 1993 | 39.60%            |
| 1928 | 25.0%             | 1961 | 91.00%            | 1994 | 39.60%            |
| 1929 | 24.0%             | 1962 | 91.00%            | 1995 | 39.60%            |
| 1930 | 25.0%             | 1963 | 91.00%            | 1996 | 39.60%            |
| 1931 | 25.0%             | 1964 | 77.00%            | 1997 | 39.60%            |
| 1932 | 63.0%             | 1965 | 70.00%            | 1998 | 39.60%            |
| 1933 | 63.0%             | 1966 | 70.00%            | 1999 | 39.60%            |
| 1934 | 63.0%             | 1967 | 70.00%            | 2000 | 39.60%            |
| 1935 | 63.0%             | 1968 | 75.25%            | 2001 | 38.60%            |
| 1936 | 79.0%             | 1969 | 77.00%            | 2002 | 38.60%            |
| 1937 | 79.0%             | 1970 | 71.75%            | 2003 | 35.00%            |
| 1938 | 79.0%             | 1971 | 70.00%            | 2004 | 35.00%            |
| 1939 | 79.0%             | 1972 | 70.00%            | 2005 | 35.00%            |
| 1940 | 81.10%            | 1973 | 70.00%            | 2006 | 35.00%            |
| 1941 | 81.00%            | 1974 | 70.00%            | 2007 | 35.00%            |
| 1942 | 88.00%            | 1975 | 70.00%            | 2008 | 35.00%            |
| 1943 | 88.00%            | 1976 | 70.00%            | 2009 | 35.00%            |
| 1944 | 94.00%            | 1977 | 70.00%            | 2010 | 35.00%            |
| 1945 | 94.00%            | 1978 | 70.00%            |      |                   |

Note: This table contains a number of simplifications and ignores a number of factors, such as a maximum tax on earned income of 50 percent when the top rate was 70 percent and the current increase in rates due to income-related reductions in value of itemized deductions. Perhaps most importantly, it ignores the large increase in percentage of returns that were subject to this top rate.

Sources: Eugene Steuerle, The Urban Institute; Joseph Pechman, Federal Tax Policy; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 22, 2003; IRS Revised Tax Rate Schedules