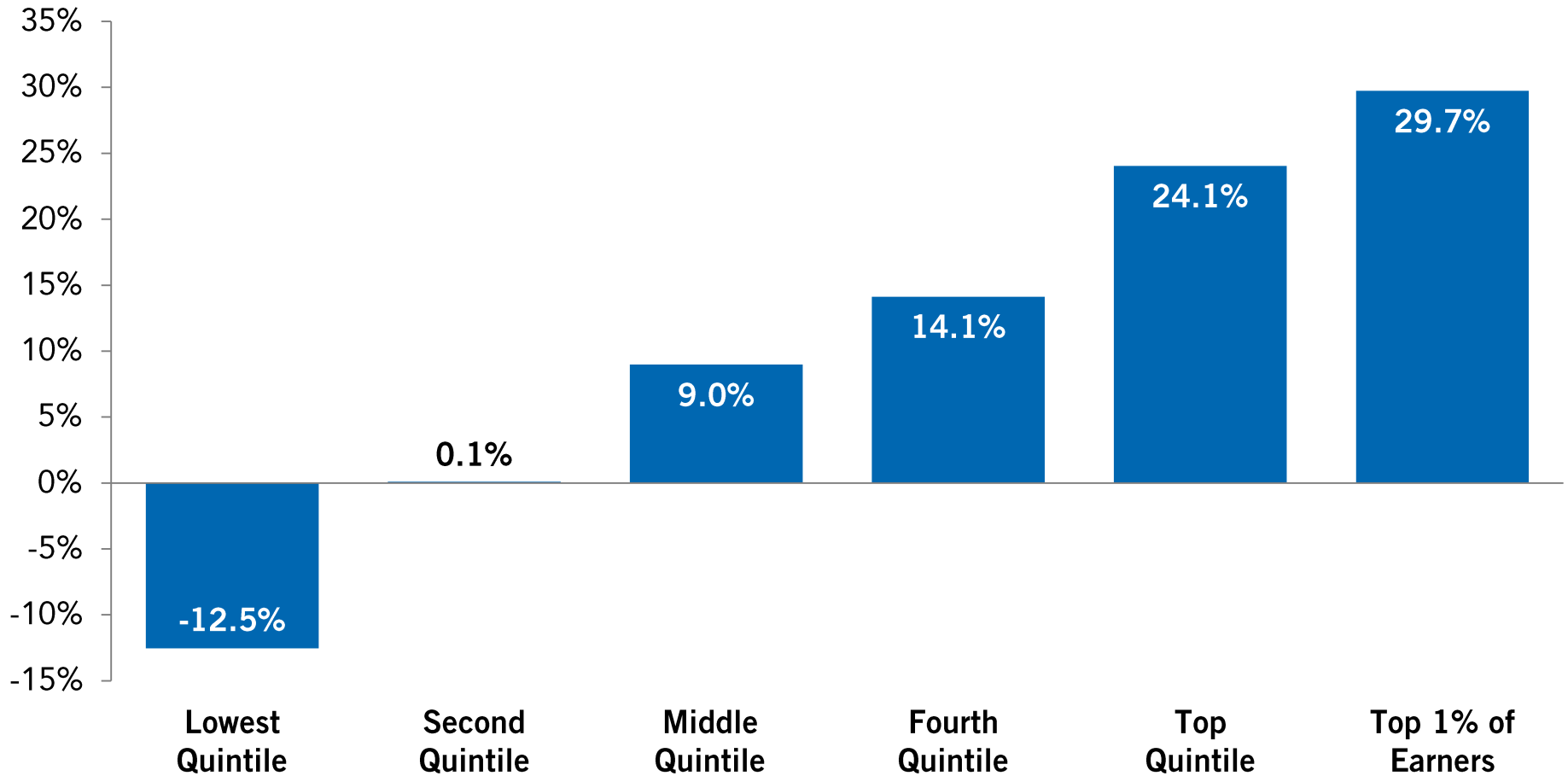


## Effective tax rates increase with income

### EFFECTIVE FEDERAL TAX RATES (% OF EXPANDED CASH INCOME IN 2021)



SOURCE: Tax Policy Center, *Baseline Share of Federal Taxes*, August 2021.

NOTES: Federal taxes include the excise tax, estate tax, corporate income tax, payroll tax, and individual income tax. Individual income tax rates for the lowest and second quintiles are negative and are netted against the payroll tax rate. A quintile is one-fifth of the population. The income breaks are in 2020 dollars, and are: 20% \$27,900; 40% \$55,100; 60% \$97,700; 80% \$178,100; 99% \$882,500. The top quintile includes the top 1% of earners.