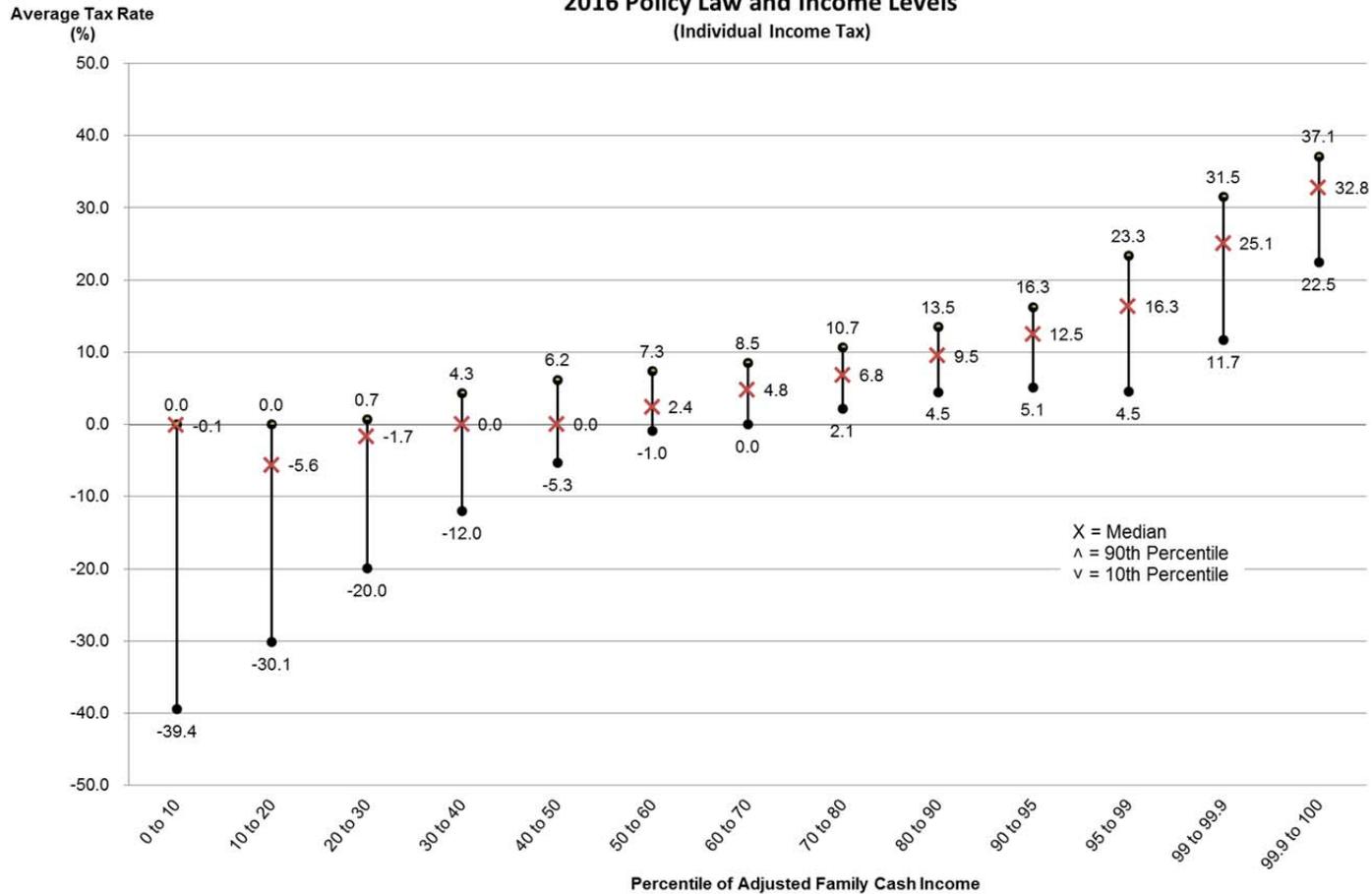


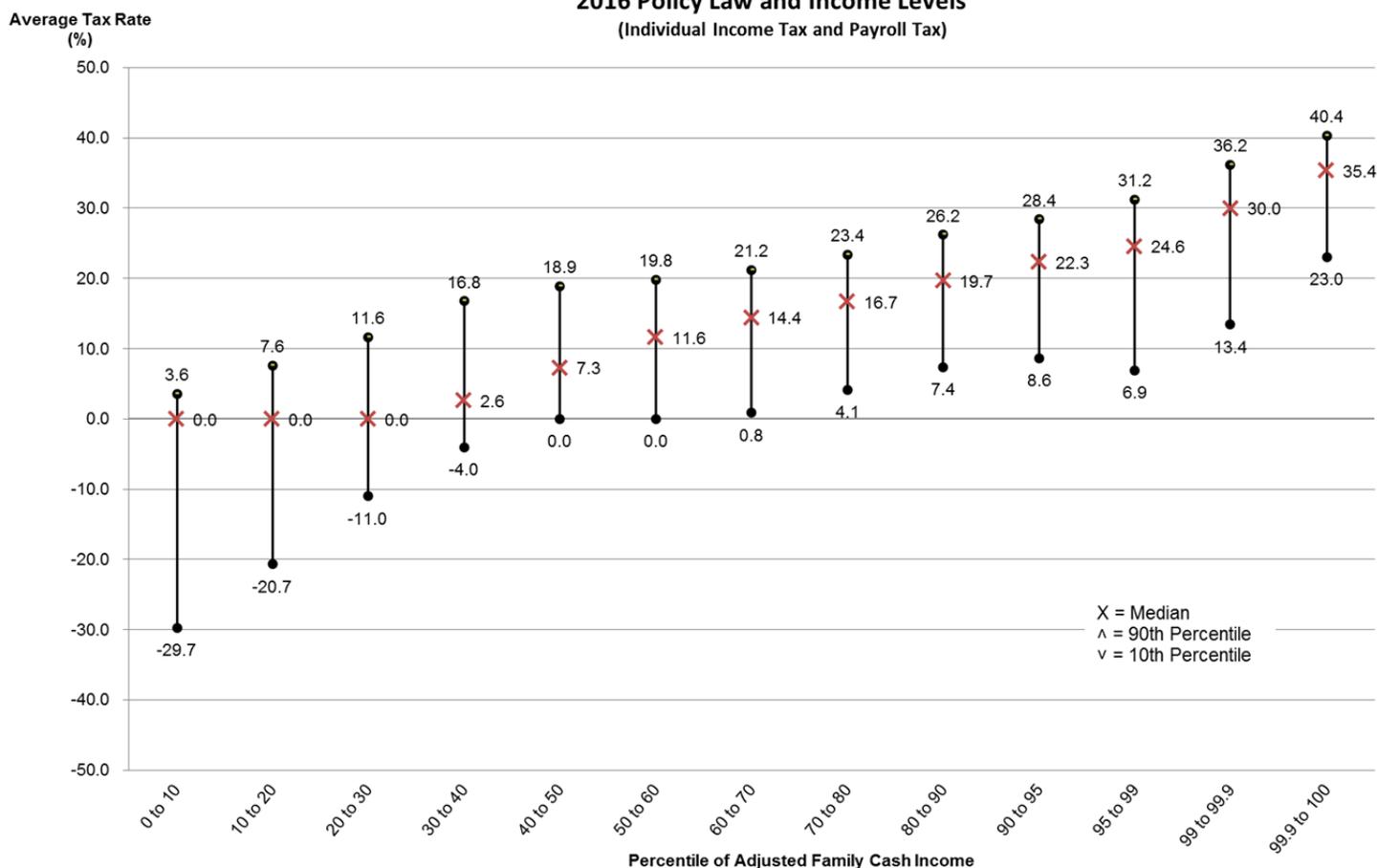
Distribution Chart 2016 012a
Variation in Average Tax Rates Within and Across Income Classes
2016 Policy Law and Income Levels
 (Individual Income Tax)



*For the lowest income percentile, the calculation of average rates and the distribution of average rates does not include families with negative income.
 **Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 50 to 60; \$48,286 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.
 ***Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.
 **** Average tax rates are calculated by dividing tax liability by cash income.



Distribution Chart 2016 012b
Variation in Average Tax Rates Within and Across Income Classes
2016 Policy Law and Income Levels
 (Individual Income Tax and Payroll Tax)

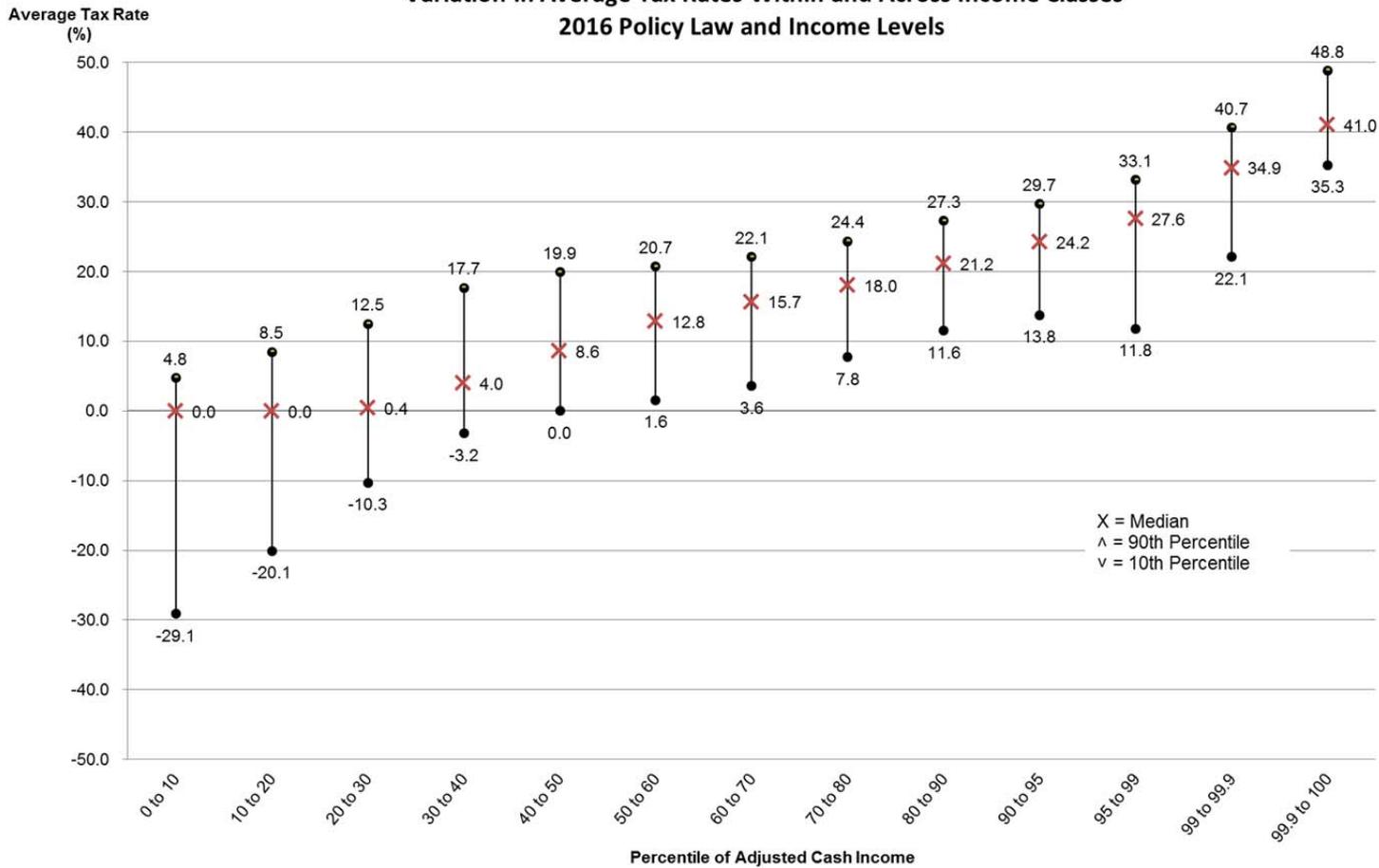


X = Median
 ^ = 90th Percentile
 v = 10th Percentile

*For the lowest income percentile, the calculation of average rates and the distribution of average rates does not include families with negative income.
 **Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 50 to 60; \$48,286 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.
 ***Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.
 **** Average tax rates are calculated by dividing tax liability by cash income.



Distribution Chart 2016 012c
Variation in Average Tax Rates Within and Across Income Classes
2016 Policy Law and Income Levels



*For the lowest income percentile, the calculation of average rates and the distribution of average rates does not include families with negative income.

**Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 50 to 60; \$48,286 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.

***Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.

**** Average tax rates are calculated by dividing tax liability by cash income.

