

All Americans Pay Taxes

Those Who Pay No Federal Income Taxes Pay Other Types of Taxes, Most of Which Take More from the Poor and Middle Class than from the Rich

Conservative pundits and media outlets have seized upon an estimate that 47 percent of taxpayers owe no federal income tax for 2009. This statistic has morphed into the claim by conservatives that “47 percent of all Americans don’t pay any taxes.”¹

The conservative pundits are wrong. It’s true that many taxpayers don’t pay federal *income* taxes, but they still pay federal payroll taxes (and some federal excise taxes) and also pay state and local taxes. Most of these other taxes are regressive, meaning they take a larger share of a poor or middle-class family’s income than they take from a rich family. This largely offsets the progressivity of the federal income tax.

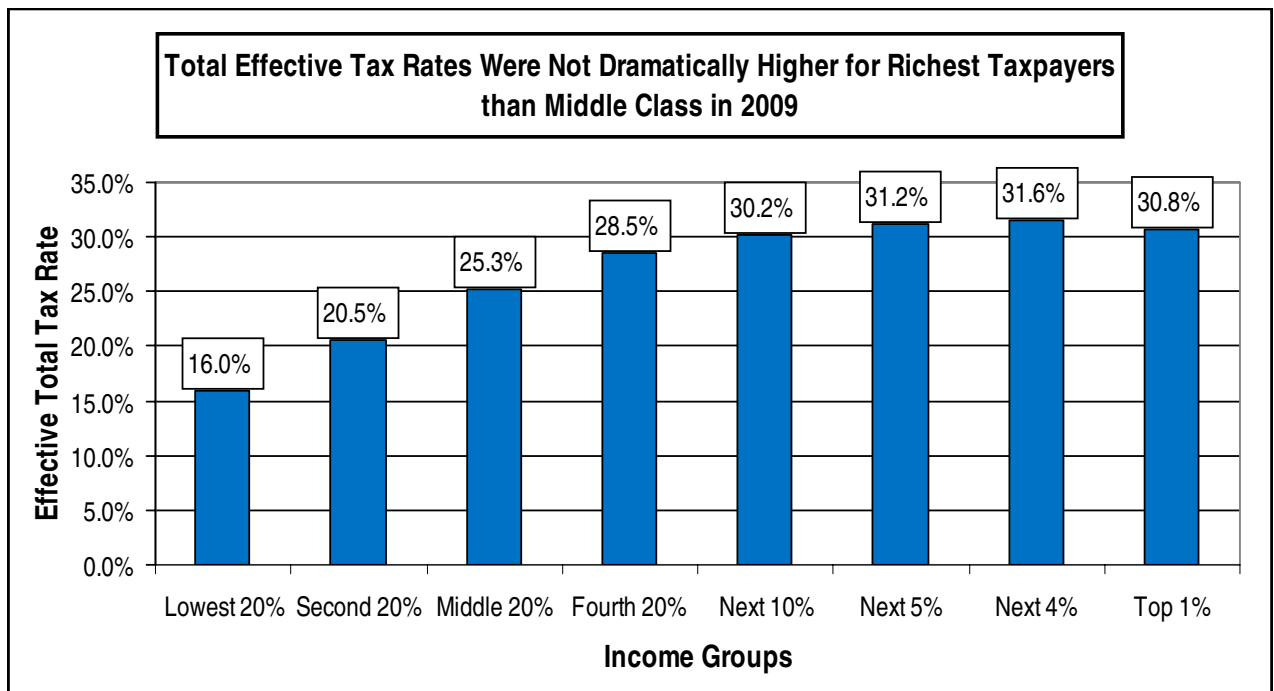
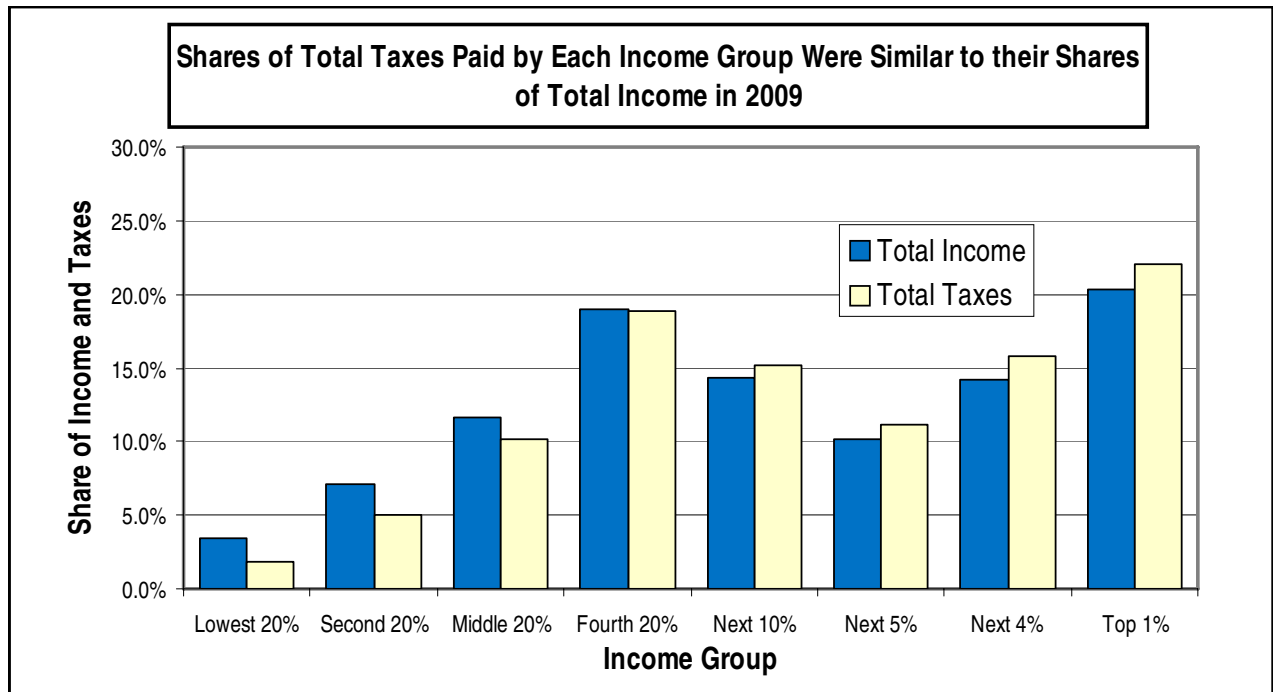
CTJ estimates that the share of *total* taxes (federal state and local taxes) paid by taxpayers in each income group is quite similar to the share of total income received by each income group in 2009.

For example, the share of total taxes paid by the richest one percent (22.1 percent) is not dramatically different from the share of total income received by this group (20.4 percent).

Everyone in America pays some sort of taxes, which may take the form of income, sales or property taxes imposed by state and local governments, in addition to federal income, payroll and excise taxes.

Incomes and Federal, State & Local Taxes in 2009						
	Average cash income	Shares of		TAXES AS A % OF INCOME		
		Total income	Total taxes	Federal taxes	State & local taxes	Total taxes
Lowest 20%	\$ 12,400	3.5%	1.9%	3.6%	12.4%	16.0%
Second 20%	25,000	7.1%	5.0%	8.7%	11.8%	20.5%
Middle 20%	40,400	11.6%	10.2%	13.9%	11.3%	25.3%
Fourth 20%	66,000	18.9%	18.9%	17.2%	11.3%	28.5%
Next 10%	100,000	14.3%	15.2%	19.0%	11.1%	30.2%
Next 5%	141,000	10.2%	11.2%	20.4%	10.8%	31.2%
Next 4%	245,000	14.2%	15.8%	21.3%	10.2%	31.6%
Top 1%	1,328,000	20.4%	22.1%	22.3%	8.4%	30.8%
ALL	68,900	100.0%	100.0%	18.0%	10.6%	28.6%
Addendum:						
Bottom 99%	\$ 56,200	79.8%	78.0%	17.0%	11.1%	28.2%
Notes:						
1. Taxes include all federal, state & local taxes (personal and corporate income, payroll, property, sales, excise, estate etc.).						
2. For calculations of income shares and taxes as a % of income, income includes employer-paid FICA taxes and corporate profits net of taxable dividends, neither of which is included in the average cash income figures shown.						
Source: Institute on Taxation and Economic Policy Tax Model, April 2010						
Citizens for Tax Justice, April 2010						

Claims that the richest one percent are paying far more than their fair share usually focus only on the most significant progressive tax, the federal income tax. They ignore the other types of taxes. As these figures make clear, the U.S. tax system just barely qualifies as progressive.



1. Media Matters, "Do conservative media figures want to raise taxes on middle- and low-income Americans?" April 9, 2010. <http://mediamatters.org/research/201004090030>