

The Big Picture

Datagraphic by Nigel Holmes

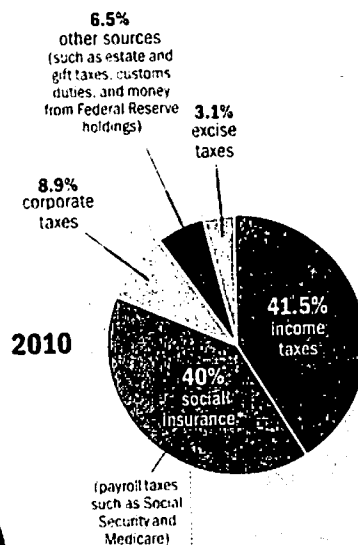
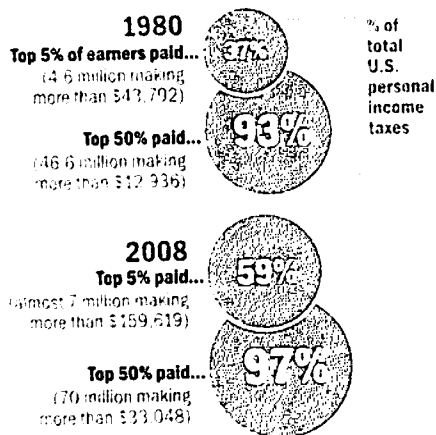
Uncle Sam's Cut

Income taxes have been a permanent fixture of American life for less than a century. Surcharges on imported and domestic goods, along with sales of public lands, provided most federal government funding until 1913, when the 16th Amendment to the Constitution gave Congress

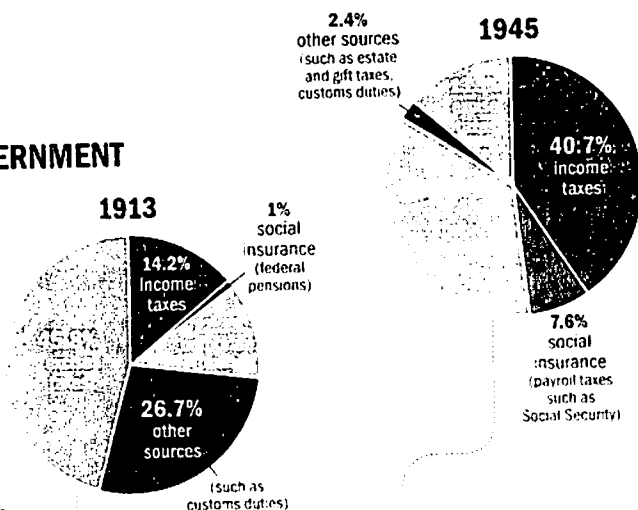
authority to tax personal and corporate income. Since World War II, individual income taxes have supplied 40 to 50 percent of federal revenue. In 2009, the Internal Revenue Service received more than 144 million personal returns and collected more than \$900 billion in taxes.

WHO PAYS HOW MUCH INCOME TAX?

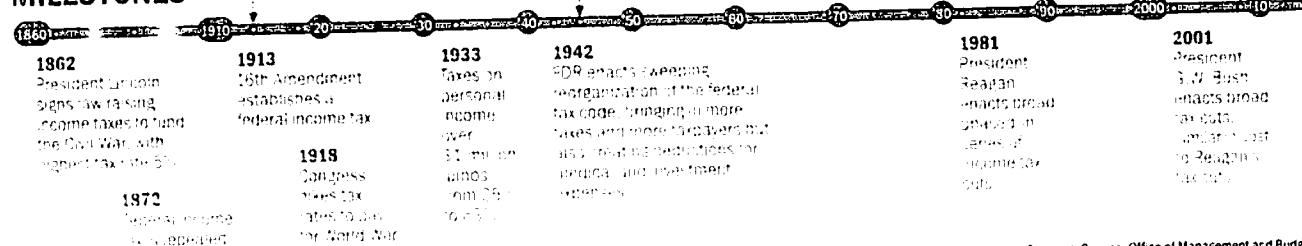
Although personal income taxes have generally declined for all income brackets over the past three decades, the highest earners (top 5%) paid a much greater percentage of the individual tax in 2008 than in 1980 because their share of income increased from 21% to 35%.



HOW IS GOVERNMENT PAID FOR?



TAX MILESTONES



Sources: IRS.gov; The Tax Foundation; Congressional Research Service; Office of Management and Budget