

Top Federal Income Tax Rates on Regular Income and Capital Gains since 1916

Year	Top Rate Applies to			Notes on Capital Gains Treatment
	Top Rate on Regular Income	Married Taxable Income Over:	Top Rate on Capital Gains	
1916	15%	\$ 2,000,000	15%	Capital gains taxed the same as regular income
1917	67%	2,000,000	67%	"
1918	77%	1,000,000	77%	"
1919-21	73%	1,000,000	73%	"
1922	58%	200,000	12.5%	Max rate of 12.5%
1923	43.5%	200,000	12.5%	"
1924	46%	500,000	12.5%	"
1925-28	25%	100,000	12.5%	"
1929	24%	100,000	12.5%	"
1930-31	25%	100,000	12.5%	"
1932-33	63%	1,000,000	12.5%	"
1934-35	63%	1,000,000	31.5%	Sliding exclusion of 70%>10 yrs; 0%<1 yr.
1936-37	78%	2,000,000	39%	"
1938-40	78%	2,000,000	30%	Excl. 50%>2yrs; 67% 18-24mo; 0%<18mo; 30%Max
1941	80%	2,000,000	30%	Excl. 50%>2yrs; 67% 18-24mo; 0%<18mo; 30%Max
1942-43	88%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1944-45	94%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1946-47	86.5%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1948-49	82.1%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1950	84.4%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1951-64	91%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1965-67	70%	200,000	25%	Exclusion 50% > 6 months; 25% maximum
1968	75.3%	200,000	26.9%	Vietnam War 10% surtax for part of year
1969	77%	200,000	27.5%	Vietnam War 10% surtax
1970	73.5%	200,000	32.3%	Transition on CG, Vietnam War 5% surtax; minimum tax effects
1971	70%/60%	200,000	34.3%	Transition on CG & 50% top rate on earnings; minimum tax effects
1972-75	70%/50%	200,000	36.5%	50% exclusion, minimum tax effects
1976-77	70%/50%	203,200	39.9%	50% exclusion, minimum tax effects
1978	70%/50%	203,200	39%	50% exclusion, minimum tax effects; late year reduction
1979-80	70%/50%	215,400	28%	60% exclusion
1981	70%/50%	215,400	23.7%	50% or 60% exclusion, etc.,transition
1982-86	50%	215,400	20%	60% exclusion
1987	38.5%	192,930	28%	28% maximum rate
1988-90	28%/33%	* see below	28%/33%	Realized gains taxed same as other income
1991-92**	31% (31.9%)	84,300	28% (28.9%)	28% (28.9%) maximum rate
1993-96**	39.6% (40.8%)	255,100	28% (29.2%)	28% (29.2%) maximum rate
1997-2000**	39.6% (40.8%)	280,300	20% (21.2%)	20% (21.2% maximum rate)
2001**	39.1% (40.3%)	297,350	20% (21.2%)	"
2002**	38.6% (39.8%)	307,050	20% (21.2%)	"
2003-05**	35% (36.1%)	319,100	15% (16.1%)	Capital gains rate also applies to dividends
2006-07**	35% (35.7%)	338,525	15% (15.7%)	"
2008**	35% (35.4%)	351,250	15% (15.4%)	"
2009**	35% (35.4%)	360,050	20% (20.4%)	Dividends return to regular tax rates
2010	35%	369,050	20%	Note: All Bush tax cuts expire after 2010
2011 on	39.6% (40.8%)	378,250	20% (21.2%)	20% (21.2% maximum rate)
*1988-90 detail	28%	31,050	28%	
	33%	75,050	33%	
	28%	155,780	28%	

**Rates in parentheses include an additional tax on Adjusted Gross Income (phased out starting in 2006; repealed in 2010).

Notes: The definition of taxable income varied very substantially over the years. Taxable income is much less than actual income.

Starting points for the top rate (indexed) are averages when multiple years are shown after 1987.

Further Note: 1970-81 rates reflect a lower top rate on earned income (second figure listed).