

**TAX  
BRACKETS**

The income tax brackets for 2021 are only slightly wider than for last year because of inflation during the 12-month period...from Sept. 2019 through Aug. 2020...used to figure the adjustments. Tax rates do not change.

**Marrieds: If taxable income is**

Not more than \$19,900  
Over \$19,900 but not more than \$81,050  
Over \$81,050 but not more than \$172,750  
Over \$172,750 but not more than \$329,850  
Over \$329,850 but not more than \$418,850  
Over \$418,850 but not more than \$628,300  
Over \$628,300

**The tax is**

10% of taxable income  
\$1,990.00 + 12% of excess over \$19,900  
\$9,328.00 + 22% of excess over \$81,050  
\$29,502.00 + 24% of excess over \$172,750  
\$67,206.00 + 32% of excess over \$329,850  
\$95,686.00 + 35% of excess over \$418,850  
\$168,993.50 + 37% of excess over \$628,300

**Singles: If taxable income is**

Not more than \$9,950  
Over \$9,950 but not more than \$40,525  
Over \$40,525 but not more than \$86,375  
Over \$86,375 but not more than \$164,925  
Over \$164,925 but not more than \$209,425  
Over \$209,425 but not more than \$523,600  
Over \$523,600

**The tax is**

10% of taxable income  
\$995.00 + 12% of excess over \$9,950  
\$4,664.00 + 22% of excess over \$40,525  
\$14,751.00 + 24% of excess over \$86,375  
\$33,603.00 + 32% of excess over \$164,925  
\$47,843.00 + 35% of excess over \$209,425  
\$157,804.25 + 37% of excess over \$523,600

**Household Heads: If taxable income is**

Not more than \$14,200  
Over \$14,200 but not more than \$54,200  
Over \$54,200 but not more than \$86,350  
Over \$86,350 but not more than \$164,900  
Over \$164,900 but not more than \$209,400  
Over \$209,400 but not more than \$523,600  
Over \$523,600

**The tax is**

10% of taxable income  
\$1,420.00 + 12% of excess over \$14,200  
\$6,220.00 + 22% of excess over \$54,200  
\$13,293.00 + 24% of excess over \$86,350  
\$32,145.00 + 32% of excess over \$164,900  
\$46,385.00 + 35% of excess over \$209,400  
\$156,355.00 + 37% of excess over \$523,600

**TAX  
BURDEN**

The tax burden on high-income earners has gone up, according to IRS statistics. The top 1% of individual filers paid 40.08% of all U.S. income taxes for 2018, the most recent year the Service has analyzed. That's up from 2017's figure of 38.47%. They reported 20.93% of total adjusted gross income, lower than the year before. Filers needed AGIs of at least \$540,009 to earn their way into the top 1% category. The highest 5% paid 60.30% of total income tax and accounted for 36.48% of all adjusted gross income. Each filer in this group had an AGI of \$217,913 or more. The top 10%, those with AGIs of at least \$151,935, bore 71.37% of the burden while bringing in 47.66% of all individuals' total adjusted gross income for the year. The bottom 50% of filers paid 2.94% of the total federal income tax take. Their share is so low because the figures don't include Social Security tax payments and because many of them get substantial income tax relief through refundable credits.

Yours very truly,

*The Kiplinger Editors*  
THE KIPLINGER WASHINGTON EDITORS

Happy Holidays  
Dec. 18, 2020

P.S. We are sending you this final Tax Letter for 2020 a week early because of the holidays. We will publish our next regular edition on Jan. 8, 2021.

