Effective tax rates increase with income

**Effective Federal Tax Rates (% of Cash Income in 2018)**

- **Lower Quintile** (Less than $25,100): 2.9%
- **Second Quintile** ($25,101–$49,299): 7.6%
- **Middle Quintile** ($49,300–$85,899): 12.1%
- **Fourth Quintile** ($85,900–$153,299): 15.5%
- **Top Quintile** ($153,300+): 22.9%
- **Top 1% of Earners** ($754,800+): 29.6%


NOTE: Effective federal tax rate is calculated as total federal taxes paid divided by cash income. Federal taxes include individual and corporate income tax, payroll taxes for Social Security and Medicare, estate tax, and excise tax. A quintile is one fifth of the distribution. E.g., the lowest quintile is the 20% of the population with the lowest income.