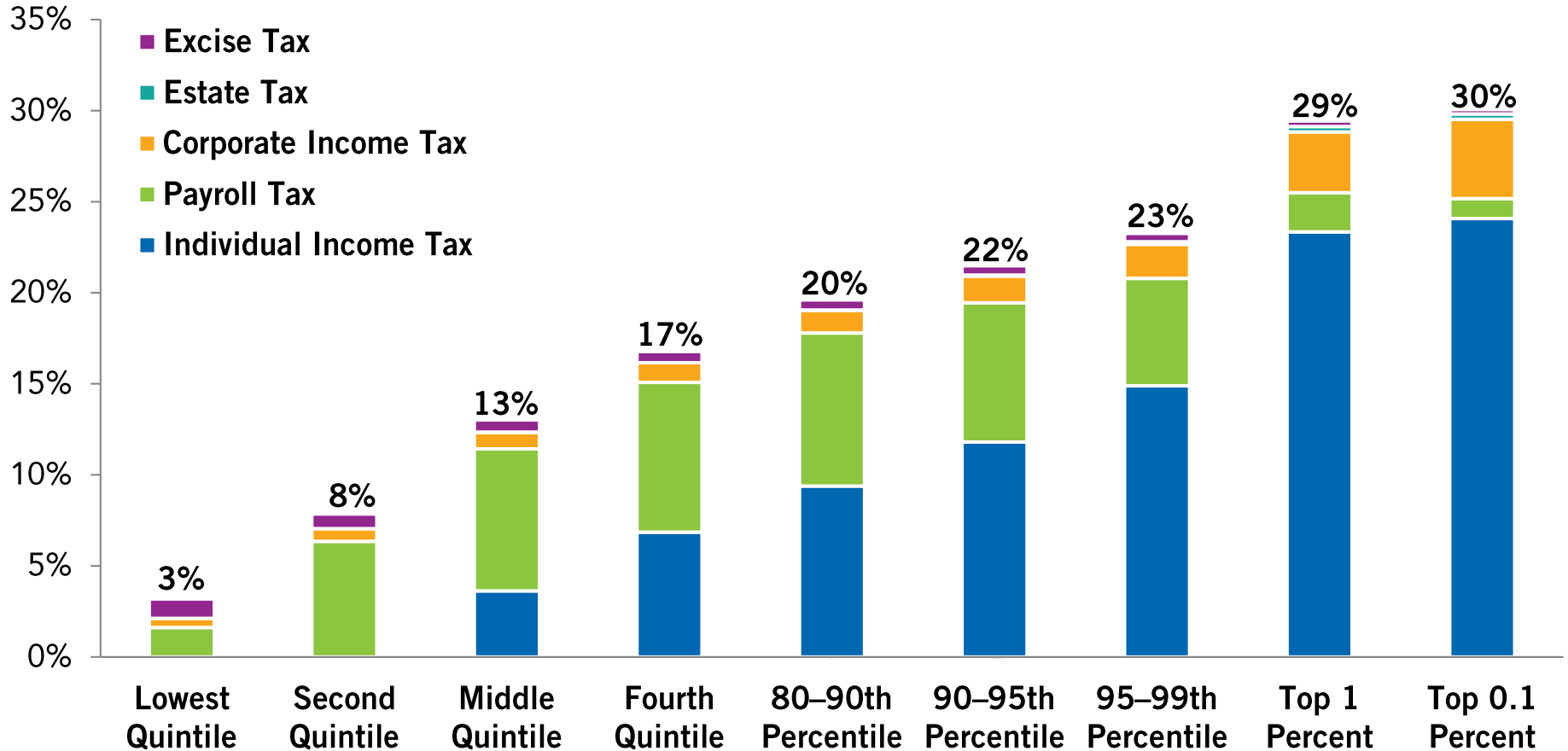


The U.S. tax system is progressive, with higher-income taxpayers facing higher tax rates

EFFECTIVE FEDERAL TAX RATES BY TYPE (% OF EXPANDED CASH INCOME IN 2019)



SOURCE: Tax Policy Center, *Baseline Share of Federal Taxes*, February 2020.

NOTES: Individual income tax rates for the lowest and second quintiles are negative and are netted against the payroll tax rate. A quintile is one-fifth of the population. In 2019 dollars, the income breaks are: 20% \$25,300; 40% \$50,700; 60% \$91,200; 80% \$163,600; 90% \$239,600; 95% \$339,200; 99% \$818,700; 99.9% \$3,803,800.