

APPENDIX A
TABLE 2
Personal Income Tax

PERSONAL AND DEPENDENT EXEMPTIONS, AND STANDARD DEDUCTIONS
FOOTNOTES

- a. Temporary wartime provisions, enacted in 1943, increased personal exemptions of individuals filing as Married Filing Jointly (MFJ), Surviving Spouse¹ (SS), Single, and Head of Household (HOH) by \$1,000, and by \$500 for individuals filing as Married Filing Separately (MFS) and Estate filers.
- b. Additional temporary wartime provisions, enacted in 1945, increased personal exemptions by another \$1,000 for MFJ, SS, Single, and HOH, and another \$500 for MFS. A standard deduction in lieu of itemized non-business deductions was introduced at that time. The standard deduction was 6% of adjusted gross income less dependent exemptions when the taxpayer used the tax from the “optional tax table” or \$300 when the taxpayer was ineligible to use the optional tax table and chose not to itemize deductions.
- c. The temporary personal exemption increase enacted in 1945 lapsed to 1943 levels for MFJ, SS, Single, and HOH filers. The temporary Estate exemption increase enacted in 1943 lapsed to 1942 levels.
- d. The filing of MFJ and SS returns was made more attractive in this period. For MFJ and SS filers with an income of \$10,000 or more, the standard deduction was raised from \$300 to \$600.
- e. Personal exemptions were reduced by \$500 for MFJ, SS, Single, and HOH filers, and was reduced by \$250 for MFS filers. The standard deduction was increased from 6% to 10% of adjusted gross income less dependent and blind exemptions when the taxpayer used the tax from the “optional tax table” rather than the Tax Rate Schedule. For persons ineligible to use the “optional tax table”, the standard deduction was increased from \$600 to \$1,000 for MFJ and SS filers and from \$300 to \$500 for all others.
- f(1). Beginning in 1964, a flat standard deduction (regardless of the amount of adjusted gross income), replaced the variable deduction. Between 1964 and 1967 the flat standard deduction was \$1,000 for MFJ, SS, and HOH, and \$500 for all others.
- f(2). Beginning in 1966, taxpayers who were nonresidents for any part of the year were required to prorate their personal exemption, their dependent exemption, and their standard deduction.
- g. Beginning in 1967, deductions were replaced by tax credits for personal and dependent exemptions.
- h. The flat standard deduction was increased from \$1,000 to \$2,000 for MFJ, SS, and HOH and from \$500 to \$1,000 for Single and MFS. The \$50 exemption for HOH includes the first qualifying dependent; the exemption for each dependent thereafter was \$8.
- i. For 1978 only, personal exemption credits increased from \$50 to \$200 for MFJ, SS, and HOH, and from \$25 to \$100 for Single and MFS filers.
- j. Beginning in taxable income year 1978, tax rates are adjusted to compensate for inflationary factors determined by the June to June change in the California Consumer Price Index (less 3% for 1978 and 1979 and full indexing for 1980 and subsequent years). Tax rates were indexed at 5.22% for 1978, 6.88% for 1979, 17.33% for 1980, 8.26% for 1981, 9.32% for 1982, -1.2% for 1983, 4.6% for 1984 and 1985, and 3.5% for 1986. Indexing was suspended for 1987. For 1988, indexing was reestablished at 4.6%. Indexing was 5.3% for 1989, 4.8% for 1990, 4.3% for 1991, 3.6% for 1992, 2.5% for 1993, 1.2% for 1994, 2.3% for 1995, 1.6% for 1996, 2.2% for 1997, 2.3% for 1998, 2.6% for 1999, 3.7% for 2000, 5.3% for 2001, 1.5% for 2002, 2.2% for 2003, 3.1% for 2004, 2.8% for 2005, 4.8% for 2006, 3.1% for 2007, 5.0% for 2008, -1.5% for 2009, 0.9% for 2010, 2.7% for 2011, 1.9% for 2012, 1.7% for 2013, and 2.2% for taxable year 2014.
- k. Legislation passed in 1987 increased personal exemption credits and reestablished reset standard deductions (Stats. 1987, Ch. 1138). A limitation on itemized deductions and a phase out of personal exemptions for persons with high income was added.

¹ Also referred to as ‘Qualifying Widow(er) With Dependent Child’