

HIGH INCOME RETURNS
BY INCOME LEVEL and AVERAGE TAX RATE
Tax Year 2005

Income Levels	Number of Returns		Total Tax Liability (Thousands)	Average Tax Rate ⁴							
	Non-Taxable	Taxable		Less Than 1.0%	1.0% to 1.9%	2.0% to 2.9%	3.0% to 4.9%	5.0% to 6.9%	7.0% to 8.9%	9.0% and Above ⁵	
I: Adjusted Gross Income (AGI)											
Under \$ 50,000	5,208,342	3,949,663	\$ 1,809,997	7,198,703	948,210	551,149	453,212	1,985	1,854	2,893	
50,000 to 100,000	251,433	2,763,467	5,517,572	720,780	667,241	591,097	661,245	372,922	1,087	527	
100,000 to 200,000	9,279	1,385,135	8,373,069	37,785	69,375	170,781	641,854	400,185	74,099	335	
200,000 and over	1,789	518,783	27,430,016	4,178	2,580	4,396	40,080	215,318	225,007	29,012	
Total	5,470,844	8,617,048	\$ 43,130,654	\$ 7,961,446	\$ 1,687,406	\$ 1,317,424	\$ 1,796,391	\$ 990,409	\$ 302,047	\$ 32,768	
II: AGI Plus Tax Preference Income¹											
Under \$ 50,000	5,208,350	3,949,920	\$ 1,810,180	7,198,718	948,448	551,149	453,222	1,986	1,854	2,893	
50,000 to 100,000	251,432	2,763,083	5,517,045	720,540	667,158	591,087	661,245	372,869	1,087	528	
100,000 to 200,000	9,286	1,385,215	8,373,280	37,792	69,539	170,710	642,080	399,961	74,132	286	
200,000 and over	1,776	518,829	27,430,149	4,163	2,599	4,401	40,140	215,482	224,864	28,957	
Total	5,470,844	8,617,048	\$ 43,130,654	\$ 7,961,213	\$ 1,687,744	\$ 1,317,347	\$ 1,796,687	\$ 990,298	\$ 301,936	\$ 32,665	
III: AGI Less Investment Interest²											
Under \$ 50,000	5,209,522	3,951,046	\$ 1,812,901	7,200,441	948,083	551,546	453,768	1,985	1,854	2,892	
50,000 to 100,000	250,389	2,765,079	5,524,267	719,223	667,859	591,141	661,524	374,108	1,088	525	
100,000 to 200,000	9,323	1,384,190	8,382,163	37,021	68,881	170,225	640,698	401,650	74,656	382	
200,000 and over	1,609	516,732	27,411,323	3,731	2,226	4,064	38,562	213,397	225,890	30,471	
Total	5,470,844	8,617,048	\$ 43,130,654	\$ 7,960,416	\$ 1,687,049	\$ 1,316,976	\$ 1,794,552	\$ 991,140	\$ 303,488	\$ 34,270	
IV: Expanded Income³											
Under \$ 50,000	5,209,531	3,951,304	\$ 1,813,136	7,200,457	948,321	551,546	453,779	1,986	1,854	2,893	
50,000 to 100,000	250,388	2,764,694	5,523,688	718,983	667,776	591,131	661,524	374,055	1,088	525	
100,000 to 200,000	9,327	1,384,250	8,382,256	37,025	69,045	170,144	640,915	401,434	74,680	333	
200,000 and over	1,597	516,800	27,411,574	3,717	2,245	4,068	38,626	213,631	225,734	30,376	
Total	5,470,844	8,617,048	\$ 43,130,654	\$ 7,960,183	\$ 1,687,387	\$ 1,316,888	\$ 1,794,843	\$ 991,106	\$ 303,356	\$ 34,128	

1 Tax preference income is reported on FTB Schedule P and includes: excluded portion of capital gains, accelerated depreciation in excess of straight line, excess depletion, and several other statutory amounts.

2 Interest paid on borrowed money used for capital investments other than mortgages.

3 Expanded income is adjusted gross income plus tax preference income less investment expenses.

4 Average tax rate is the net tax divided by the income, as defined in the income concept.

5 These returns with an average tax rate equal to or greater than 9 percent of the income concept used have either alternative minimum tax or the tax on accumulation distributions. See Revenue and Taxation Code Section 17062-17066 for alternative minimum tax or Sections 17731-17839 for rules relating to estates, trusts, beneficiaries, and decedents.

HIGH INCOME RETURNS
BY INCOME LEVEL TYPE and AVERAGE TAX LIABILITY
Tax Year 2005

Income Levels	Number of Returns			Total Tax Liability (Thousands)	Average Tax Liability				
	Total	Non-Taxable	Taxable		Under \$1,000	\$1,000 Under \$2,000	\$2,000 Under \$6,000	\$6,000 and Over	
I: Adjusted Gross Income (AGI)									
Under \$ 50,000	9,158,005	5,208,342	3,949,663	\$ 1,809,997	3,355,224	549,878	44,461	99	
50,000 to 100,000	3,014,900	251,433	2,763,467	5,517,572	795,374	750,059	1,189,425	28,609	
100,000 to 200,000	1,394,414	9,279	1,385,135	8,373,069	22,927	48,288	680,577	633,343	
200,000 and over	520,572	1,789	518,783	27,430,016	1,059	617	4,074	513,033	
Total	14,087,891	5,470,844	8,617,048	\$ 43,130,654	\$ 4,174,583	\$ 1,348,843	\$ 1,918,537	\$ 1,175,084	
II: AGI Plus Tax Preference Income ¹									
Under \$ 50,000	9,158,270	5,208,350	3,949,920	\$ 1,810,180	3,355,463	549,878	44,472	107	
50,000 to 100,000	3,014,514	251,432	2,763,083	5,517,045	795,135	749,976	1,189,362	28,610	
100,000 to 200,000	1,394,501	9,286	1,385,215	8,373,280	22,927	48,371	680,629	633,288	
200,000 and over	520,606	1,776	518,829	27,430,149	1,059	617	4,074	513,080	
Total	14,087,891	5,470,844	8,617,048	\$ 43,130,654	\$ 4,174,583	\$ 1,348,843	\$ 1,918,537	\$ 1,175,084	
III: AGI Less Investment Interest ²									
Under \$ 50,000	9,160,569	5,209,522	3,951,046	\$ 1,812,901	3,355,974	550,132	44,836	104	
50,000 to 100,000	3,015,468	250,389	2,765,079	5,524,267	795,555	750,164	1,190,419	28,941	
100,000 to 200,000	1,393,513	9,323	1,384,190	8,382,163	22,145	48,003	679,579	634,463	
200,000 and over	518,342	1,609	516,732	27,411,323	909	544	3,703	511,576	
Total	14,087,891	5,470,844	8,617,048	\$ 43,130,654	\$ 4,174,583	\$ 1,348,843	\$ 1,918,537	\$ 1,175,084	
IV: Expanded Income ³									
Under \$ 50,000	9,160,835	5,209,531	3,951,304	\$ 1,813,136	3,356,213	550,132	44,846	113	
50,000 to 100,000	3,015,082	250,388	2,764,694	5,523,688	795,316	750,081	1,190,356	28,941	
100,000 to 200,000	1,393,577	9,327	1,384,250	8,382,256	22,145	48,086	679,622	634,397	
200,000 and over	518,397	1,597	516,800	27,411,574	909	544	3,713	511,633	
Total	14,087,891	5,470,844	8,617,048	\$ 43,130,654	\$ 4,174,583	\$ 1,348,843	\$ 1,918,537	\$ 1,175,084	

¹ Tax preference income is reported on Form FTB Schedule P and includes: excluded portion of capital gains, accelerated depreciation in excess of straight line, excess depletion, and several other statutory amounts.

² Interest paid on borrowed money used for capital investments other than mortgages.

³ Expanded income is adjusted gross income plus tax preference income less investment expenses.