



Almost Half of US Residents Still Pay No Federal Income Tax

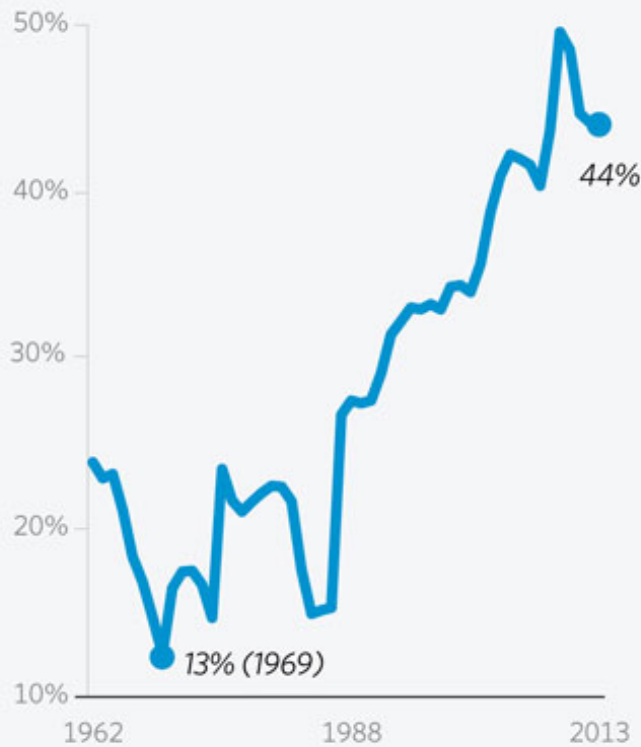
Patrick Tyrrell / February 17, 2016

According to data published by the IRS and the U.S. Census Bureau, 44.2 percent of U.S. residents paid no federal income tax in 2013 (the most recent year for which data is available).

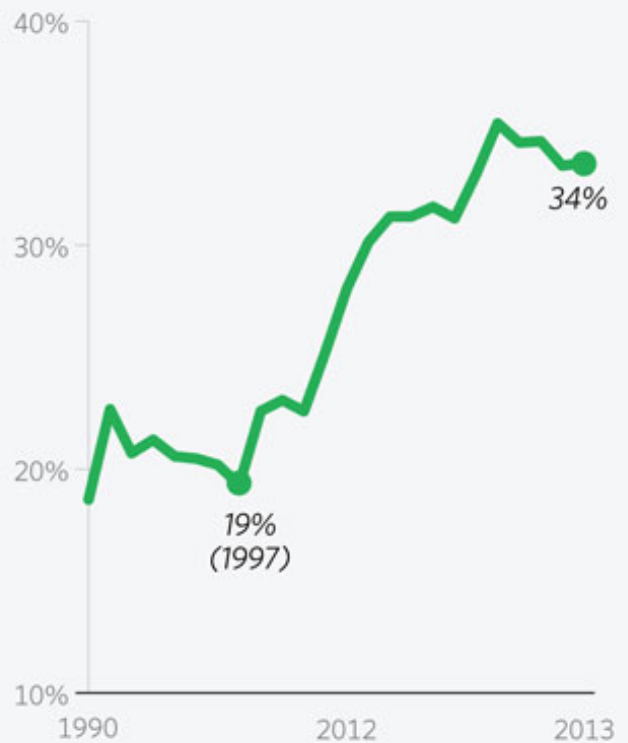
No doubt many of the non-payers would willingly pay income tax in exchange for the chance to work in a more dynamic economy that generated more and better jobs. But our labor market has been hobbled by government regulations, cronyism, government power grabs, a tax code nobody understands, and federal waste.

Many Americans Pay No Federal Income Tax but Still Get Money Back

The share of U.S. residents **paying no federal income tax** has nearly doubled since 1962.



At the same time, a growing share of tax filers are **paying no federal income tax and still getting money back.**



Notes: Figures are calculated by taking the number of exemptions on all income tax paying returns and subtracting them from the total U.S. population. Figures for 1977 to 1982 have been interpolated.

Source: Heritage Foundation calculations based on data from the Internal Revenue Service.



The chart tells the story.

In 1962, the percentage of people who did not pay federal income taxes themselves and who were not claimed as dependents by someone who paid federal income taxes stood at 24.0 percent; it fell to 12.6 percent by 1969 before beginning a ragged and ultimately steady increase.

By 2000, the percentage was 34.1 percent; by 2009, it was 49.6 percent. The number dropped to 44.7 percent in 2011, and it has hovered around 44 percent ever since.

An astounding 33.67 percent of tax returns are filed only to claim benefits while not paying any income tax. That is up from 18.64 percent in 1990.

As President Ronald Reagan said on Jan, 20, 1981, in his inaugural address, “Government is not the solution to our problem. Government is the problem.”

The federal government stands in the way of success for too many people. Establishing a limited federal government is as critical now as when Reagan said those words.