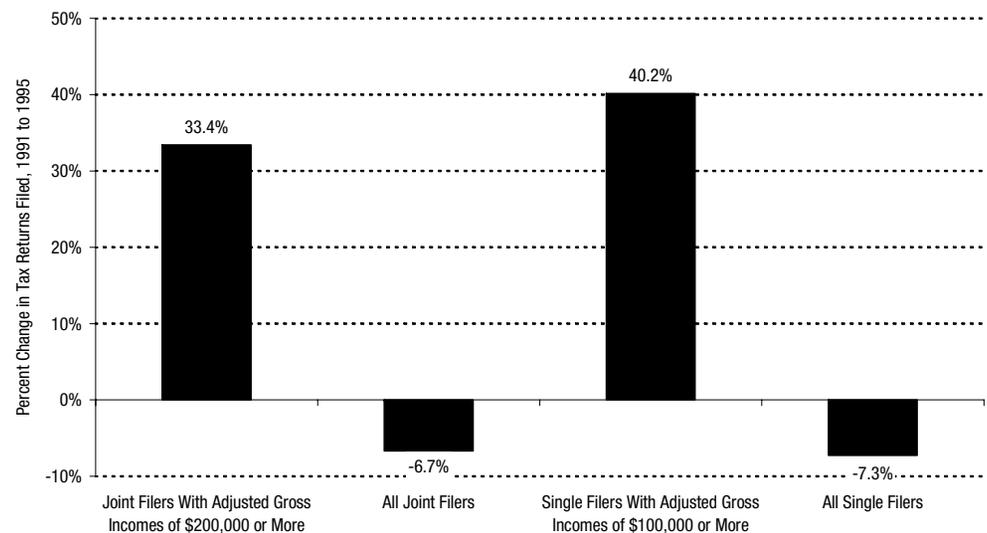


The Number of High-Income Taxpayers Increased Significantly During a Period With 10 Percent and 11 Percent Tax Rates on High-Income Earners

- The number of California's joint personal income tax filers with incomes of \$200,000 or more rose by 33.4 percent between 1991 and 1995 – a period in which California temporarily imposed 10 percent and 11 percent tax rates on high-income earners. In contrast, the total number of joint filers declined by 6.7 percent.
- The number of the state's single personal income tax filers with incomes of \$100,000 or more increased by 40.2 percent during the same period, while the total number of single filers declined by 7.3 percent.
- The number of millionaire taxpayers – those with adjusted gross incomes of at least \$1 million – increased by 37.8 percent between 2004 and 2006, after voters approved an additional 1 percent surcharge on taxable personal income above \$1 million, which took effect on January 1, 2005. During the same period, the total number of personal income taxpayers increased by 4.2 percent.

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Source: Franchise Tax Board