



Written by [R. Cort Kirkwood](#) on April 19, 2011

Almost Half of Americans Paid No Federal Income Tax In 2010

Down from 47 percent in 2009, the number is not unusual, [the Associated Press reports](#). According to AP, the number of deductions, credits, and other devices to reduce the individual tax burden accounts for the high number of earners who pay not a farthing to the feds.

Indeed, the dollar figure on the credits and deductions might be one reason the economy is as vibrant as it is and can withstand the ever-growing onslaught of suffocating federal fees and taxes — without the credits much more money would be drained from the productive sectors of the economy.



[According to AP](#),

In all, the tax code is filled with a total of \$1.1 trillion in credits, deductions and exemptions, an average of about \$8,000 per taxpayer, according to an analysis by the National Taxpayer Advocate, an independent watchdog within the IRS.

The AP took its figures from the [Tax Policy Center](#), which analyzed data from the Internal Revenue Service.

[Reported TPC](#), in an obvious observation, "People pay no income tax for one of two reasons: either they have no taxable income (almost all the elderly with no tax liability) or they can claim enough credits to offset the taxes they would otherwise owe."

And in reporting last year that 47 percent of Americans paid no federal income tax in 2009, [TPC observed](#), "Most nonpayers have relatively low income: Six in 10 make less than \$20,000." That is likely true this year as well.

Moreover, Americans who skate on the federal income tax don't get a pass on other federal levies, [TPC observed](#) last year:

More than two-thirds of people who pay no income tax do pay Medicare and Social Security payroll taxes and about half owe payroll taxes that exceed their refundable tax credits. Counting income plus payroll tax liabilities, less than a quarter owe no tax.

AP [also showed](#) that those deductions also apply to the very wealthy. The aggregate tax rate for the most wealthy, after deductions and credit, was 17 percent in 2007.

The Internal Revenue Service tracks the tax returns with the 400 highest adjusted gross incomes each year. The average income on those returns in 2007, the latest year for IRS data, was nearly \$345 million. Their average federal income tax rate was 17 percent, down



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from 26 percent in 1992.

But AP [also reported](#) a figure the Left doesn't like you to hear: "More than half of the nation's tax revenue came from the top 10 percent of earners in 2007. More than 44 percent came from the top 5 percent. Still, the wealthy have access to much more lucrative tax breaks than people with lower incomes."

President Obama is alarmed by that. Obama wants to ensure "the amount of taxes you pay isn't determined by what kind of accountant you can afford."

Whatever Obama wants, the wealthy Americans he and his leftist apostles denounce as freeloaders provide most of the income tax revenue that is passed to the real freeloaders who refuse to work and instead prefer to collect welfare benefits and food stamps. The real freeloaders are, of course, Democrat constituents.

One American who doesn't seem to understand that is CBS newsman [Bob Schieffer](#). Speaking to [House Budget Committee Chairman](#) Paul Ryan (R.-Wis.) on *Face the Nation* about the GOP "[Path to Prosperity](#)" budget plan, [Schieffer asked](#), "Why do these rich people need another tax cut? I mean, they're already rich. They seem to be doing pretty well as it is now. Why cut their taxes some more?"

Ryan [answered clearly](#), noting that the GOP is simply opposing the President's planned tax increases and instead supporting lower tax rates, while eliminating deductions to simplify the tax code and maintain revenue. But Schieffer, perplexed by Ryan's answer, [repeatedly asked](#) the same question.



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