Historically, a 70 percent marginal tax rate is not unusual
The top marginal income tax rates from 1913 to 2018

1981
Reagan took office

Source: Tax Policy Center
Source: Department of the Treasury, Office of Tax Analysis

Source: statistics computed by the author
Source: Piketty and Saez, 2003 updated to 2013. Series based on pre-tax cash market income including or excluding realized capital gains, and always excluding government transfers.
EXECUTIVE COMPENSATION

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Taxable income</td>
<td>911</td>
<td>1,153</td>
<td>974</td>
<td>965</td>
<td>1,173</td>
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<tr>
<td>Salary</td>
<td>347</td>
<td>336</td>
<td>336</td>
<td>351</td>
<td>373</td>
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<tr>
<td>Bonus</td>
<td>198</td>
<td>207</td>
<td>241</td>
<td>284</td>
<td>330</td>
</tr>
<tr>
<td>LTIP payout</td>
<td>57</td>
<td>72</td>
<td>57</td>
<td>64</td>
<td>89</td>
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<tr>
<td>Options exercised</td>
<td>268</td>
<td>496</td>
<td>293</td>
<td>235</td>
<td>381</td>
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<tr>
<td>Other income (nontaxed)</td>
<td>36</td>
<td>37</td>
<td>66</td>
<td>54</td>
<td>78</td>
</tr>
</tbody>
</table>

SOURCE.—Author’s calculations for executives with permanent income greater than $275,000 per year.
The Top 0.01% US Income Share, Composition, and MTR

Source: Saez et al. (2010)
A. Top 1% Share and Top Marginal Tax Rate in 1960–4

Source: Piketty, Saez & Stantcheva (2011)
B. Top 1% Share and Top Marginal Tax Rate in 2005–9

Source: Piketty, Saez & Stantcheva (2011)
Change in Top Tax Rate and Top 1% Share, 1960-4 to 2005-9

Elasticity = .47 ( .11 )

Source: Piketty, Saez & Stantcheva (2011)
Tax Avoidance: Top 1% Income Shares and Top MTR

Marginal Tax Rates (%)

Top 1% Income Shares (%)

Year

Top 1% (incl. KG)
Top MTR
Top 1% (excl. KG)
MTR K gains

Change in Top Tax Rate and GDP per capita growth since 1960
B. Growth (adjusted for initial 1960 GDP)

Change in Top Tax Rate and GDP per capita growth since 1960
Link between top tax rate and CEO pay in 2006 across countries
B. Average CEO compensation with controls

Controlling for firm profitability, governance, size, and industry
Figure 3: Total number of foreigners in different income groups

Control 1 = annualized income between .8 and .9 of threshold
Control 2 = annualized income between .9 and .995 of threshold.

Top 1% pre-tax income share and top tax rates

Source: Top 1% income share: Piketty and Saez, 2003 updated to 2015, series including realized capital gains. Top MTR include Federal individual tax + uncapped FICA payroll tax.
Source: Piketty and Saez, 2003 updated to 2015. Series based on pre-tax cash market income including realized capital gains, and always excluding government transfers.
Source: Piketty and Saez, 2003 updated to 2015. Series based on pre-tax cash market income excluding realized capital gains, and always excluding government transfers.
Charitable Giving of Top 1% Income Earners

Source: Saez TPE 2017
Charitable Giving of Top 1% Income Earners

- Mean charitable giving of top 1% divided by mean income [left y-axis]
- Top 1% Income Share [right y-axis]

Source: The figure depicts average charitable giving of top 1% incomes (normalized by average income per family) on the left y-axis. For comparison, the figure reports the top 1% income share (on the right y-axis).

Source: Saez TPE 2017
Top 1% Pre-Tax Income Share, 1913-2018

Piketty-Saez-Zucman (comprehensive income)

Piketty-Saez (reported income with capital gains)