



- 1862** Abraham Lincoln enacts emergency measure to pay for Civil War: Minimum 3% tax rate.
- 1872** Lincoln's income tax law lapses.
- 1894** 2% federal income tax enacted.
- 1895** Income tax ruled unconstitutional by U.S. Supreme Court in Pollack v. Farmer's Loan and Trust.
- 1909** 16th amendment that authorizes Congress to collect taxes on income is proposed.
- 1913** Wyoming casts 37th vote, ratifying the 16th amendment. One in 271 people pays 1% rate.
- 1926** Revenue Act of 1926 reduces taxes: Too much money being collected.
- 1939** Revenue statutes codified. One out of 32 citizens pays 4% rate.
- 1943** One out of three people pays taxes. Withholding on salaries and wages introduced.
- 1954** 875-page Internal Revenue Code of 1954 passes. Considered the most monumental overhaul of federal income tax system to date. 3,000 changes to tax rules.
- 1969** Tax Reform Act: Major amendments to 1954 overhaul.
- 1984** Reagan Tax Reform Act: Most complex bill ever, requires over 180 technical corrections.
- 1986** Tax Reform Act reduces tax brackets from five or two.
- 1993** Clinton's Revenue Reconciliation Act passes by one Vice Presidential vote.
- 1996** Four bills make over 700 changes, including Medical Savings Accounts and SIMPLE plans.
- 1997** Taxpayer Relief Act brings more than 800 changes. Child tax credit, Roth IRAs, capital gains reduction, breaks for higher education enacted.
- 2001** Tax Relief Act creates 441 changes. Lowers tax rates, repeals estate tax, increases contribution limits on 401(k)s and IRAs.
- 2002** The Job Creation and Worker Assistance Act brings business tax relief, including a 5-year net operating loss carryback and extends and adds depreciation.
- 2003** Jobs and Growth Tax Relief Reconciliation Act lowers taxes on capital gains and dividends, accelerates marginal tax rate cuts, brings marriage penalty relief, increases child tax credit, extends bonus depreciation and more. Bills passed late in the year bring military tax relief and Medicare reform.
- 2004** Back-to-back tax bills, Working Families Tax Relief Act and American Jobs Creation Act, brought the most tax law changes since 1986. The American Jobs Creation Act gave ordinary taxpayers, as well as businesses of all sizes, tax relief.
- 2005** Congress used the tax code to encourage energy savings and cope with natural disasters in the Energy Policy Act of 2005, the Katrina Emergency Tax Relief Act of 2005 and the Gulf Opportunity Zone Act of 2005.
- 2006** Congress passed three major laws affecting taxes and several minor ones, making more than 500 changes to the Internal Revenue Code altogether. Among other things, temporary capital gains and dividend rates of 15% (0% for the bottom two brackets) were extended for two years beyond 2008 and the AMT exemption was increased, but for 2006 only.
- 2007** Congress passed another temporary "fix" for the AMT, extended the reach of the "kiddie tax" to age 18 (age 23 for students) beginning in 2008 and changed the rules on forgiveness of debt to benefit homeowners facing foreclosure or reworking their mortgages.
- 2008** Six big tax laws passed: Economic Stimulus Act; Heroes Earnings Assistance and Relief Tax Act; Housing Assistance Tax Act; Emergency Economic Stabilization Act; Worker, Retiree and Employer Recovery Act; and Heartland, Habitat, Harvest and Horticulture Act. Among the major provisions of these laws were economic stimulus rebates, a first-time homebuyers credit, an additional standard deduction for real property taxes, extension of expiring deductions and yet another temporary AMT "fix."
- 2009** Congress passed a major stimulus bill with nearly \$300 billion in tax relief, providing for a Making Work Pay Credit, an American Opportunity Credit to expand on existing higher education credits, expansion of the first-time homebuyer credit, an enhanced child credit, expanded net loss carrybacks for business and expanded energy credits. The homebuyer credit and net loss provisions were later extended and expanded in the Worker, Homeownership, and Business Assistance Act.
- 2010** Congress at year-end extended tax breaks that had expired at the end of 2009 for two years through 2011 and extended tax breaks from the 2001 and 2003 Tax Acts scheduled to sunset at the end of 2010 for two years through 2012; a payroll tax reduction was also enacted for 2011. Other legislation enacted during the year included tax provisions with respect to health care reform, hiring stimulus and small business stimulus.
- 2011** Congress expanded hiring incentives for veterans and banned tax strategy patents. New reporting requirements included broker reporting of stock basis; merchant card and third-party payment reporting; and foreign asset reporting.
- 2013** Congress permanently extends tax cuts from 2001 and 2003 for all but the highest income taxpayers.

Leading tax, accounting and audit information, software and services provider CCH celebrates its 100th anniversary serving professionals since 1913 — the year the modern federal income tax became law in the United States.