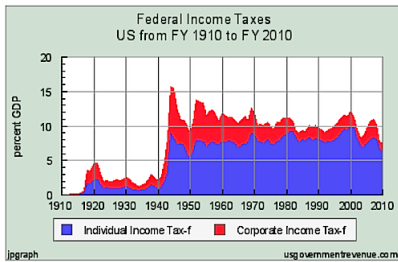


The federal income tax turned 100 this week

By Kerry Pechter *Wed, Feb 5, 2014*

"The need to fund our involvement in World War I moved income taxes to the center of federal finances," the U.S. Census Bureau reported this week, in noting the centenary of the birth of the national tax on earned income.



The 16th Amendment to the Constitution was ratified on February 3, 1913, authorizing Congress to levy taxes on income and giving the government a replacement for the tax on alcohol—thus paving the way for the passage of the Volstead Act (Prohibition) in 1919.

“In its first two years, the [income] tax was modest, affecting only a very few citizens and provided only a small part of the government’s total revenue,” the U.S. Census Bureau reported this week. “But the need to fund our involvement in World War I moved income taxes to the center of federal finances.”

In 2011, individuals paid around \$1.7 trillion in federal income tax, while state and local income taxes amounted to \$114 billion in just the second quarter alone of 2013.

