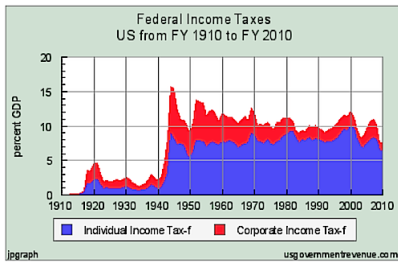


## The federal income tax turned 100 this week

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.

