

Table II-4. Federal Income Tax Advantage

Annualized Tax Advantage (\$000)

<u>Fiscal Year</u>	<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>
1971	\$874,900	\$211,900	\$663,000
1972	1,062,400	276,900	785,500
1973	1,066,700	276,500	790,200
1974	1,075,100	287,200	787,900
1975	1,236,600	305,000	931,600
1976	1,284,400	309,300	975,100
1977	1,392,800	343,800	1,049,000
1978	1,511,400	411,000	1,100,400
1979	1,637,600	452,900	1,184,400
1980	1,783,900	475,200	1,308,700
1981	2,411,200	715,000	1,696,200
1982	3,055,700	963,100	2,092,600
1983	2,988,000	954,900	2,033,100
1984	2,598,700	816,700	1,782,000
1985	2,862,100	913,800	1,948,300
1986	2,973,800	950,000	2,023,800
1987	2,692,501	765,816	1,926,685
1988	2,566,427	695,337	1,871,090
1989	2,685,059	712,656	1,972,403
1990	2,773,694	735,032	2,038,662
1991	2,871,967	766,505	2,105,462
1992	2,386,790	608,390	1,778,400
1993	2,343,370	607,630	1,735,740
1994	2,222,840	580,960	1,641,880
1995	2,164,340	576,720	1,587,620
1996	2,170,050	587,160	1,583,340
1997	2,756,108	777,851	1,978,256
1998	2,730,508	779,020	1,951,488
1999	2,727,088	778,668	1,948,420
2000-Jan	2,858,300	820,875	2,037,424
2000-Jul	2,877,218	838,092	2,039,126
2001-Jan	3,212,414	942,288	2,270,126
2001-Jul	3,002,713	923,074	2,079,639
2002	3,355,276	1,044,860	2,310,416
2003	3,537,764	992,880	2,544,884
2004	3,626,793	1,028,754	2,598,039

Annual "Formal" Tax Advantage by Pay Grade
(2004 Tax Rates-January 1, 2004 RMC Rates)

<u>Pay Grade</u>	<u>Range of Tax Advantage</u>		<u>Average Tax Advantage</u>
	<u>Low</u>	<u>High</u>	
<u>Officers</u>			
0-10	\$9,916	\$10,799	\$9,916
0-9	\$9,716	\$9,912	\$9,902
0-8	\$8,545	\$9,572	\$9,529
0-7	\$8,198	\$8,919	\$8,892
0-6	\$7,945	\$8,157	\$7,960
0-5	\$7,104	\$7,490	\$7,142
0-4	\$4,900	\$6,504	\$5,118
0-3	\$3,269	\$5,190	\$3,894
0-2	\$2,686	\$4,438	\$3,642
0-1	\$2,190	\$3,071	\$2,810
<u>Warrant Officers</u>			
W-5	\$5,268	\$6,220	\$5,342
W-4	\$3,743	\$5,506	\$3,872

Warrant Officers (continued)

W-3	\$2,942	\$4,803	\$3,103
W-2	\$2,883	\$4,443	\$3,086
W-1	\$2,283	\$2,985	\$2,421

Enlisted Personnel

E-9	\$3,710	\$5,447	\$3,846
E-8	\$3,145	\$5,096	\$3,320
E-7	\$2,944	\$4,616	\$3,111
E-6	\$2,621	\$3,768	\$2,781
E-5	\$2,033	\$2,717	\$2,284
E-4	\$1,663	\$1,951	\$1,848
E-3	\$1,513	\$1,936	\$1,847
E-2	\$1,409	\$1,922	\$1,856
E-1	\$1,066	\$1,784	\$1,711

Note: Pay grade ranges and averages assume all cash allowances and no variable or station housing allowance. The ranges and averages were determined by reference to the actual distribution of Department of Defense personnel by pay grade and longevity step. Thus, if there were no personnel in, e.g., pay grade 0-8 with less than 2 years of service, the tax advantage associated with the pay and allowances for persons falling within that pay grade/longevity step was not used in determining the range or average tax advantage for that pay grade.