

## **Personal Income Taxation in the United States of America on Federal and State Level**

The main aim of this thesis is to show the complexity of personal income taxation in the United States of America, by explaining the system of taxation and the main changes of the personal income taxation for the last ten years, under the influence of Economic Growth and Tax Relief Reconciliation Act, which was passed in year 2001.

The system of this work is divided into four main parts. The role of the first part is to show the history of the taxation which led to the today's personal income taxation system, followed by second part with the explanation of system of the personal income tax of individuals, shown in details with the differentiated statuses of subjects, deductions, progressive tax brackets and tax credit for the taxpayers. The third part shortly describes personal income taxation system in the state of Maryland to show a different layer of the taxation system with its rules. The fourth part reflects the changes of the tax system in the last decade, which were brought by EGTRRA, with its affects on various groups of taxpayers and the effect on the economy of the country. These four parts together should create a picture of the system and its functioning of the personal income taxation in the United States of America.